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9 June 1982

LATIN AMERICA REPORT

No. 2519

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CALDERON BERTI PRESENTS OIL CONSERVATION MEASURES

Caracas EL UNIVERSAL in Spanish 2 May 82 p 1-19

[Article by C.R. Chavez]

[Text] In a press conference Minister of Energy and Mines Humberto Calderon presented the measures, beginning with the gasoline price, which tend to save fuel.

In regard to the new gasoline price policy, Minister Calderon Berti indicated that it will permit a more rational use of fuel, in addition to responding to the need to protect the economic value of petroleum as the basis for strategic national development.

"Beginning 1 May," he said, "the shops and service stations will sell 5 types of gasoline, namely: 83 octane gasoline, medium gasoline; 87 octane gasoline, a mixture of 2 parts medium and 1 part high; 89 octane gasoline, a mixture of 1 part medium and 1 part high; 91 octane gasoline, a mixture of 1 part medium and 2 parts high; and 95 octane gasoline, high.

"The following prices for motor gasoline will be in effect throughout the country: 83 octane gasoline, 0.30 bolivars per liter; 87 octane gasoline, 0.534 bolivars per liter; 89 octane gasoline, 0.65 bolivars per liter; 91 octane gasoline, 0.767 bolivars per liter; and 95 octane gasoline, 1.00 bolivars per liter."

Minister Calderon Berti indicated that the price of diesel or gasoil has not changed. Likewise, he said that the public will pay uniform prices throughout the country.

The Ministry of Energy and Mines, the Superintendency for Consumer Protection and other official organizations have put into effect plans oriented toward assuring the normal functioning of the national gasoline distribution and supply system, as well as the protection of the consumer in regard to the hoarding and adulteration of fuel.

Beginning 1 May the shops and service stations will be governed by the following schedule:

Urban centers: Monday through Saturday, 6 am to 10 pm; Sunday, 6 am to 10 pm.

Highways: No change. The customary schedule is maintained. In an emergency the ministry can order that the indicated hours be extended, in addition to Sunday operations, for shops in urban centers selling fuel if it considers this necessary in order to guarantee efficient service to the consuming public.

Selling prices are established for aviation fuel at national airports supplied to aircraft performing air transport over national territory when they belong to the National Armed Forces, and to aircraft identified according to Resolution Nr 46 of the old Communications Ministry dated 9 June 1975; thus:

YV-C: Aircraft used in regular public service and irregular air transport.

YV-A: Aircraft used in agricultural aviation (crop dusting).

YV-O: Aircraft belonging to the nation, the states and the municipalities; those of autonomous institutes, state enterprises and other public organizations. For these aircraft the prices established in this article will be in effect until 31 December 1982, and after 1 January 1983 the prices established in article 2 of Resolution No 548, dated 29 April 1982, will be applied.

YV-E-MR: Aircraft belonging to the Miguel Rodriguez Civil Aeronautical Center.

| <u>Product</u> | <u>Uniform Price Bolivars/liter</u> |
|----------------|---|
| Turbokerosene | 0.40 |
| AV-Gas 100-130 | 0.40 |

Selling prices are established for aviation fuel at national airports supplied to units performing air transport over national territory and sold to diverse consumers identified as follows:

YV-P. Aircraft for private use by their owners.

YV-CP. Aircraft for private use by enterprises or commercial societies, for aerial photographs and similar technical or scientific services and aerial ambulances.

YV-E. Aircraft belonging to non-profit aeronautical institutions.

YV-X. Aircraft assembled or fabricated in the country requiring certification flights.

| <u>Product</u> | <u>Uniform price</u> <u>Bolivars/liter</u> |
|----------------|---|
| Turbokerosene | 1.00 |
| AV-Gas 100-130 | 1.00 |

The indicated prices will be in effect for 1 year, and will be adjusted at the end of that period on the basis of the announced export price.

The fuels turbokerosene and AV-gas 100-130 may be sold only directly at national airports by operating enterprises, branches of Venezuelan Petroleum or by their agents through agreements signed with the indicated operating enterprises, who in these cases will be responsible for the application of the provisions in this resolution.

In regard to electric energy policy, the minister indicated that during the period between 1 May and 31 December 1982 the Electrical Administration and Development Corporation [CADAPE] may buy from the Caroni River Electrification Project [EDELCA] approximately 1,343.6 million kWh of hydroelectric energy in addition to the approximately 1,226.4 million kWh previously contracted between those enterprises.

Likewise, Caracas Electricity may buy approximately 830 million kWh in hydroelectric power from EDELCA during that same time period. EDELCA will guarantee to CADAPE and Caracas Electricity the supply of the approximate quantities of hydroelectric power mentioned.

The hydroelectric energy and the fuel volumes previously mentioned are approximate values; therefore, the amount of hydroelectric energy actually accounted for will be that which is utilized for the transactions between the parties. Without affecting prices already agreed to by the parties for the purchase of contracted energy, the prices to be paid by CADAPE and Caracas Electricity to EDELCA for the additional hydroelectric energy, object of this resolution, will be determined on the basis of the cost of the fuels replaced by that hydroelectric energy.

9746

CSO: 3010/1530

ECONOMIC DEPENDENCY ON OIL REVENUE CRITICIZED

Caracas ULTIMAS NOTICIAS in Spanish 11 Apr 82 p 16

[Commentary by Carlos Blanco: "When the Oil Runs Out--What Will We Do?"]

[Text] The idea of a Venezuela not living from oil belongs to the world of fiction. There is enough oil to continue to be the main source of fiscal revenues, and, as if that were not enough, there is that almost pitiless immensity of the Orinoco Oil Belt, which has been the subject of international greed with "advice," "recommendations" and the classical desire to be associated with the fate of such a vast territory, always finding eager ears in the dominant centers of Venezuelan society.

Nevertheless, in spite of all the government explanations, which only make more obvious the tremendous administrative ineptitude of the economic team, with certainty it can be said that the "error" that overestimated revenues by more than 11 billion bolivars has touched some very sensitive nerves in the most varied sectors of the society. It is not a matter, as was well said by Hector Malave Mata, of Venezuela not continuing to live from oil, but that the economic "model" which has lived on growing oil revenues is coming to an end. This sounding of the alarm, this writing on the wall is merely the prelude to what is to take place in the country's future. In the last 10 years Venezuela has generated economic growth of such a nature that its productive and social organization has totally conformed to the growing flow of oil. When the situation varies unfavorably and the outlook is for structural change in the international oil business, then it is necessary to set forth the expectations of a society that has lived by and for petroleum for more than half a century.

The truth is that some notable Venezuelans representing different ideological standpoints and policies had been indicating the opaque horizon that is seen for Venezuela. There are the testimonies of Juan Pablo Perez Alfonzo, Arturo Uslar Pietri, Rodolfo Quintero, Hector Malave Mata, Ivan Pulido Mora, D.F. Maza Zavala and Francisco Mieres, among other distinguished Venezuelans, who, whether it be in the economic, political or cultural sphere, have been warning about the effects of oil on the life of the country and the outlook, explicit or not, for the end of the petroleum era. Only that compendium of ineptitude that is President Herrera's economic cabinet did not know what international publications and outstanding countrymen had announced.

Much has been said on the economic aspects implicit in a marked reduction in oil revenues, but it may be appropriate to perform some mental exercises on what could occur in the ideological and political realms should the existing tendencies tend to become more pronounced.

Probably the most evident political consequence would be a substantial change in the role of the state. The Venezuelan state has developed without the slightest doubt concerning oil, this circumstance being what has permitted Venezuelan society to be practically "clothed" economically, politically and culturally. This creates a situation different from that found in classical capitalism, because there the state emerges as the contradictory result of the activity of individual capital investments; in a way there is a correspondence between the development of capital and the development of the state. In the case of Venezuela it is not so: State power--as a result of the flow of oil--becomes gigantic compared with private enterprise, and if indeed it serves private enterprise as called for by the laws of the profit society, it is certain that it provides for private enterprise a series of absolute determinations. In effect, the economic power of the Venezuelan state has, on the one hand, become a first-rate manager, whereas, on the other hand, private enterprises have arisen under the scandalous protection of state entities.

This dependency on the part of private business has achieved a very close relationship between political and economic spheres, and it explains why--in contrast to other countries--Venezuelan managerial groups are always at the margins of the political sectors administering the government, and that many managers have appointed their own officials to fill high government posts.

The fiscal oil revenue has also created a close association, classical in the contemporary imperialist phenomenon, between the state and international capital (state and private). State power, then, has implied an internal presence of foreign capital at a very important level, as has been denounced by investigators with the most diverse orientation.

Likewise, it is possible to say that state vitality has resolved or attenuated many social contradictions by means of a sort of "covering." This is done both through the incorporation of thousands of Venezuelans into public administration, generating new social sectors or greatly expanding existing sectors, as well as in the creation of a new proletariat, which has the peculiarity of having not one particular boss, but something like a synthesis of all bosses: the state.

Undoubtedly the elements indicated will change with perceptible variation in the existing "oil model." The capacity of the state to take on more "clients" must inexorably diminish, which could signify a change in prevailing social tendencies, forcing an even greater proletarianization of the middle sector. Likewise, the role of political parties, whose importance for the masses is in large part derived from their capacity to "offer" parcels in--or by means of--the state, cannot help but suffer in favor of other forms of social existence which may be a more nearly perfect expression of "civil society."

But perhaps most important in regard to these changes may be a change in the "place" of social force that appears centered in the state. What has appeared secularly as paternalism in the Venezuelan cultural structure is probably no more than the mass effect of the recognition that the gravitational center of the society is in the state and its institutions. If the basis for the relative importance of the state changes, it is possible that the society's center of gravity will tend to be displaced, for the first time in decades giving the organized forces in the population the opportunity, in class or sectorial terms, to emerge as a presence with possibilities for action.

It is possible, then, that a certain propensity of Venezuelans to make demands on the state will give way to a dynamic attitude on the part of the masses. It does not mean that the government should "welcome" the fiscal crisis, but rather it should recognize its inevitability (except for imponderables) and design a political and cultural project for action on that occasion.

9746

CSO: 3010/1530

OIL MINISTER PRAISES MEXICAN SUPPORT FOR OPEC RESOLUTION

Caracas EL UNIVERSAL in Spanish 30 Apr 82 p 1-18

[Text] A letter sent by Dr Humberto Calderon Berti, minister of energy and mines, to Jose Andres Oteyza, head of the Secretariat of the Patrimony and Industrial Development of Mexico, expresses the satisfaction of the Venezuelan Government at the attitude assumed by that friendly country in relation to the difficult situation facing the world petroleum market, which basically has adversely affected the petroleum exporting countries belonging to the OPEC.

As will be recalled, the secretary of the patrimony--who manages the petroleum policy in Mexico--announced in the name of the government of his country that Mexico had decided to reduce its petroleum production to conform with the recent decisions adopted by the OPEC for the purpose of resolving the crisis of the energy market.

The text of the brief message of Calderon Berti to his Mexican colleague Oteyza is transcribed below.

Caracas, 21 April 1982

Mr Jose Andres Oteyza
Secretary of the Patrimony and Industrial Development
United States of Mexico

Esteemed friend:

Receive a warm greeting on the occasion of addressing you this fraternal message in relation to the recent decisions on petroleum policy adopted by Mexico which conform to the strategy being following by the OPEC to counteract the crisis of the world petroleum market that has seriously affected the production levels of hydrocarbon exporting countries, to the obvious detriment of the price structure of crudes and [related] products.

The Mexican decision expressed through you, its best-qualified spokesman in the energy area, and publicized by the international press in its full significance was viewed by us inside the OPEC as a gesture of timely solidarity, and a

fitting measure to draw closer the petroleum-exporting countries, members and non-members of the OPEC alike, in defense of our main export resource and as an important step toward the definition of a long-term policy that will enable us to preserve the economic value of such an important natural resource in the planning of the integral development of our economies. This decision of the Mexican Government helps to tighten even more the relations between Mexico and Venezuela in the energy area, which are growing increasingly stronger. I am certain that we will continue to identify with the rest of the developing countries in the struggle to defend our natural resources.

Humberto Calderon Berti
Minister of Energy and Mines

8414

CSO: 3010/1523

USE OF NUCLEAR ENERGY TO GENERATE ELECTRIC POWER DISCUSSED

Caracas EL UNIVERSAL in Spanish 28 Apr 82 p 29

[Text] Julio Cesar Pineda, executive secretary of the General Council for the Development of the Nuclear Industry (CONADIN), said that nuclear energy as an alternative to generate electric power could be instituted in Venezuela starting from the year 2000, following a planning stage of 15 years.

In his address at the inauguration of the Andean seminar on the use of the Wasp electric model, the official emphasized that "according to estimates of the international atomic energy organization, Venezuela has about 20,000 tons of uranium which will make a nuclear electric power program viable for a period of 40 years.

"Next to the petroleum area, the electrical area is the most important one in the country, and it encompasses 12 enterprises (five government and seven private) of which the Electrical Administration and Development Corp (CADAPE) provides 34.7 percent of the installed capacity with 2,707 megawatts," he pointed out. The CONADIN representative added that the Caroni River Electrification Project (EDELCA) provides 31 percent of that capacity (335 megawatts), the private sector 21.9 percent and other enterprises 12.3 percent.

"Regarding the energy outlook of Venezuela, the possible use of nuclear electric power cannot be ignored because present-day reality shows us the continued and increasing use of the atom by even the petroleum-producing countries," he pointed out.

Pineda considered that 50 percent of the world petroleum reserves have been consumed in the past 10 years, and almost 85 percent of the coal reserves in the past 10 years, "which leads mankind to the use of other alternatives among which air, sea and geothermal power are long-term applications because of the costliness of the investments.

"A special document of the OPEC acknowledges that a kilowatt-hour produced by nuclear power at this time is half as expensive as produced by petroleum and one more economical [sic] by coal," he noted.

The executive secretary underscored the disasters of Nagasaki and Hiroshima as an "example to mankind that the use of nuclear energy in war has the most serious consequences, yet for peaceful purposes, it is a very valid alternative source of energy to petroleum.

"According to the CADAPE, 15,000 megawatts of installed capacity will be required in the country by the year 2010, of which 12,000 megawatts must be necessarily produced by nuclear energy," he said.

The CONADIN representative stressed that "this premise requires a governmental definition on the subject of nuclear policy and the necessary infrastructure as of now." "The appearance of the nuclear subsector in the Sixth National Plan is a very important acknowledgement," he noted.

The seminar is being held at the Military Circle of this city, and it is being attended by 15 delegates of the various Andean countries. The event will be brought to a close next Wednesday by Humberto Calderon Berti, minister of mines and energy and president of the CONADIN.

8414

CSO: 3010/1523

BRIEFS

OIL REVENUE DECREASE--The petroleum revenue received by the national treasury dropped by 3.11 billion bolivares in January-February 1982 in comparison with the same period of last year, according to the statistical data of the Central Bank of Venezuela. In effect, the petroleum revenue (taxes on income and bonuses) for January-February 1981 was 11.593 billion bolivares--a record figure, by the way--while the revenue from the same source in the like period of 1982 was 8.483 billion bolivares, which represents a decrease of 3.11 billion bolivares, as previously noted. The balance of the public debt that the Central Bank shows in its monthly reports was 65.604 billion bolivares at the close of February, of which 36.449 billion bolivares (\$8,476.5 million) constituted foreign debt and 29.155 billion bolivares domestic debt. [Text] [Caracas EL UNIVERSAL in Spanish 30 Apr 82 p 1-1] 8414

OIL SALES TO ROMANIA--Romania reportedly is ready to purchase 10,000 barrels of Venezuelan petroleum daily on a long-term basis, and Venezuela reportedly will study the feasibility of buying Romanian goods and equipment intended for the petroleum industry. The decision to establish a more permanent trade relationship between the two countries was adopted during the official visit which Romanian Deputy Prime Minister Cornel Burtica made to our country. The Romanian minister exchanged views with [Energy and Mines Minister] Moreno Leon about the plans of our petroleum industry and Venezuela's interest in carrying out the trade relations at the governmental level. Burtica reiterated his government's invitation to have Moreno Leon head the Venezuelan delegation that will visit Romania at the end of May. The delegation in question will also include Humberto Penaloza, director of Venezuelan Petroleum, Inc; experts from the foregoing enterprise; and Anibal La Riva, president of the Orinoco Iron Mining Co; who will examine and evaluate the offer of petroleum equipment that Romania can furnish to our industry, as well as the feasibility of doing business in the areas of petrochemicals and iron ore. Basically, we have already acquired pipes for the petroleum industry from Romania. [Excerpts] [Caracas EL NACIONAL in Spanish 24 Apr 82 p D-8] 8414

CSO: 3010/1523

BRIEFS

TACC'S PRESIDENT CRITICIZES PASTORA--Dr Guillermo Toriello, President of the Anti-imperialist Tribunal of Central America and the Caribbean (TACC) spoke yesterday by telephone from Panama to BARRICADA to condemn the declarations of the 'megalomaniac Eden Pastora, who in his exhibitionist eagerness has placed himself at the service of his country's enemies being well matched to imperialism." Toriello added: "His statements which have the consistency of snail slime, are an affront to the revolutionaries of Central America, when he wants the Popular Sandinist Revolution to appear first as a failure, and then a tyranny." "It is distressing," said Dr Torriello, "that a man who could have gone down in history unblemished, has fallen on its dung heap." On finishing his remarks, the president of TACC said that this organization makes an appeal to all democratic and revolutionary forces of our America and the world to close ranks in defense of the glorious Nicaraguan revolution, while Pastora's attitude shows to what degree the counterrevolution and the destabilizing and aggressive plans of imperialism have advanced against the homeland of Sandino. [Text] [Managua BARRICADA in Spanish 22 Apr 82 p 8] 9678

PANAMA'S PAREDES DISCUSSES PASTORA--The commander in chief of the Panama National Guard, General Ruben Dario Paredes, stated that foreigners will not be permitted to use the territory of this country to launch bellicose declarations against other governments. Paredes showed surprise at the attitude of Costa Rica in admitting that the "rash, aggressive and audacious statements of Eden Pastora against the government of Nicaragua" have emanated from its soil. The official asserted that "as a Panamanian and as commander of the National Guard, I would not permit aggressive statements to be hurled from here against other countries." He added, "Our peace must be respected and any foreigner also must respect our laws and standards of tranquility." He added furthermore that neither would Panama permit its territory to be converted into a center of operations or of training where contingents could venture into other countries. Returning to the subject of Eden Pastora's statements, General Paredes said that, "I don't know why Costa Rica permitted it, I don't know if the constitution allows it or if it is something traditional." General Paredes concluded, "we respect Costa Rica and its leaders but that pattern would never work in our country." [Text] [Managua BARRICADA in Spanish 22 Apr 82 p 8] 9678

CENTRAL BANK PRESIDENT REPORTS ON RESERVES

La Paz PRESENCIA in Spanish 13 May 82 p 1

[Text] "The reserves of the Central Bank are still at zero," stated the President of the Central Bank of Bolivia, Gonzalo Ruiz Ballivian, yesterday as he left the Government Palace. He had accompanied Finance Minister Lucio Paz Rivero there.

The latest official report on the reserves of the Central Bank of Bolivia was released on 25 March by former Finance Minister Javier Alcoreza Melgarejo, who announced that the reserves totaled \$189.6 million.

The following distribution was reported in that document: gold, \$34.4 million; deposits by third parties, \$114 million; Special Development Fund, \$6.8 million; Special Drawing Rights (SDR), \$2.7 million; banks, \$10 million; international loans, \$3.9 million; Andean Reserve Fund quota, \$15 million; and freely available balance, \$25 million.

Ruiz Ballivian did not explain why the level of reserves in the Central Bank had dropped to zero.

IMF Mission

When asked about the date when the International Monetary Fund (IMF) technical mission will finish its work, he stated that it may be this week or early next week.

"The Stand-by is an agreement in which the IMF examines the conditions of the economy of the country it is negotiating with. This is taking place now. Whether or not we will sign a Stand-by depends on the report by the IMF mission," he said.

He noted that inflation "has been battering this country for some time. For many years, we have been living a somewhat artificial existence because of bad leadership in the past."

Referring to the result of the floating of the dollar, he said: "The explanation is complex. I would not want to say anything at this time. A mission of the International Monetary Fund is here, and it is evaluating the economic

situation and its future behavior to determine the possibility of signing a Stand-by with the IMF."

Report on Foreign Reserves

The president of the Central Bank reported that the documentation on the sale of foreign reserves by the Bank "is being prepared, and will be delivered in due time. Friday the response will be delivered to the Comptroller's Office. It will be released on Friday, the deadline," he said.

8926

CSO: 3010/1589

IPE EVALUATES NATIONAL CRISIS

La Paz ULTIMA HORA in Spanish 11 May 82 p 4

[Text] The Special Press Information (IPE) newsletter, in its latest issue of Monday 10 May, contains an analysis of Bolivia's situation in the international context, which we find of sufficient interest to reprint for our readers:

We are a country so backward, impoverished and shattered that the geopolitical concerns of the National Security Council concerning the Anglo-Argentine conflict would be more suitable for an academic setting. In any case, its conclusions are useful for the environment in which Bolivia finds itself, in view of the different aspects of possible variations of world politics and economics. The Pan American system, with its mutual defense treaty, is no longer the system that was created so many years ago to back up Washington's hegemonistic policy and to prevent the ideological penetration of Marxism. Brazil may see a change in its role as the big brother of South America, depending on whether its aggressive neighbor to the south wins or loses, or acquires new allies, as a result of its confrontation with Great Britain. Latin American ties with Washington and the European Economic Community may hinge upon the interests of that part of the Americas. Future access to the frozen stretches of Antarctica could be affected by Argentine expansionism, if it becomes established in possessions such as the Falklands, South Georgia and the South Sandwich Islands. Chile will certainly have to gird its loins, because if Buenos Aires is successful in its armed aggression, it will not hesitate long to make a grab for the small Chilean islands of Lennox, Picton and Nueva. Such a move would stimulate latent Peruvian nationalism that has been lying below the surface since the War of the Pacific. This hypothetical act would also stir up irrational behavior in our own country.

You know well that all these things can evolve into situations and modifications capable of altering the healthy interests of all or part of a region, with the final victory going to those who have the power, force and nerve to fish in troubled waters, as well as a historical vision that does not look back.

Moreover, we must look beyond the area of Latin America or South America; any weakening of the already threatened power of the North Atlantic Treaty

Organization (NATO) would fuel the flames of Soviet expansionism, either directly or through traditional or new allies that would serve as a base for additional operations. This, of course, would affect us, whether or not we experience a democratic liberalization (which now appears more doubtful than it did prior to 2 April).

In such a complex and delicate situation, Bolivia cannot afford to act impulsively or jump to conclusions on the basis of legitimate but limited commitments, or stronger ones, lying beneath the surface among the populace.

The crisis we are experiencing is of such a magnitude and depth that any misstep or false move could impede our eventual recovery, which will not be easy, painless or quick. Suffice it to note a few statistics concerning our financial situation to convince friend and foe alike that any action should be carefully considered.

At a time when terms are being defined in the negotiations with the International Monetary Fund (IMF), the economic situation could be described by means of certain statistical parameters. Here are a few of them:

The service of the total foreign debt was US \$459.5 million (44 percent of all exports of non-financial goods and services), while in 1981 it reached US \$663.5 million (66.1 percent). This figure includes US \$450.7 million in renegotiated debts. The total amount of the foreign public debt as of last 31 December was US \$3.8399 billion, broken down into the following percentages: private foreign banks, 32.1 percent; private suppliers, 5.3 percent; other private sources, 0.5 percent; official multilateral financiers, 28.9 percent; and bilateral financiers, 33.2 percent.

The foreign currency cash flow of the Central Bank of Bolivia during the first quarter of 1982 was as follows: (a) income, US \$190.6 million, of which US \$122.8 million was in the public sector and US \$15.7 million in the private sector, US \$31.6 million disbursed for short-term foreign credit, US \$11.5 million for medium- and long-term credit, and US \$9.0 million from the banking sector; (b) outlays, US \$240.1 million, of which US \$73.4 million corresponds to the public sector and US \$134.1 million to the servicing of the foreign public debt and US \$32.6 million to the banking sector. This leaves a deficit of US \$49.5 million for the quarter.

Although in this respect the service of the foreign public debt is expected to be US \$611.1 million for 1982, the projections for the end of the period are optimistic, based on the assumption of a disbursement of US \$90.0 million by the IMF. The government considers that the negative balance of the first quarter will become a positive balance of US \$58.3 million, with the help of the IMF and the receipt of foreign medium- and long-term credits for a total of US \$114.0 million more.

The contracted foreign public debt will top US \$4 billion before too long. The agreement we are supposedly going to reach soon with the IMF would open the floodgates for that increase, both dreaded and anticipated.

In terms of Bolivian pesos, international reserves registered a deficit of 2.4789 billion pesos at the end of 1980 and 6.0353 billion by the end of 1981. The deficit is projected to reach 10.6203 billion pesos this year. For these same years, the money supply figures are: 9.799 billion pesos (1980), 11.2261 billion pesos (1981), and 16.4627 billion pesos (1982 projection).

8926

CSO: 3010/1589

FINANCE MINISTER FORECASTS BALANCE OF PAYMENTS REDUCTION

La Paz PRESENCIA in Spanish 6 May 82 p 10

[Text] Minister of Finance Lucio Paz Rivero stated that according to the government's policy, the deficit in the balance of payments will be reduced until there is a balance. He made this statement during the press conference he gave on Wednesday 28 April, about which we have already reported. However, due to the importance and relevance of the issue, we are reprinting the entire text of the minister's statement for our readers:

Distinguished journalists: Thank you for coming. I trust that the dialog we hold will be useful and enlightening for the public, which in all sectors has expressed concern about the manner in which the Supreme Government is confronting the current economic crisis.

I will speak as clearly as possible about the present situation, its origin and projections for the future.

The Supreme Government wants the citizenry to participate actively in the new economic scheme, and the best way to do that is for them to obtain sufficient criteria for their daily lives through the information we will be providing periodically.

2. Origin and Evolution of the Crisis

The energy crisis that reached world proportions in 1974, linked to the war in the Middle East, had a favorable impact on the Bolivian economy. Bolivia at that time exported small amounts of petroleum, but there were favorable reports about the possibility that proven reserves might increase considerably. International prices for minerals such as tin, tungsten, copper and others, also rose considerably.

Foreign currency revenues generated by petroleum and mineral exports grew at unprecedented levels that year, leading to a growth in spending of equal or greater proportions.

In view of the climate of optimism, investment levels rose also. Resources were allotted to sectors that did not generate surplus foreign reserves. One of the most dramatic examples of this phenomenon was the construction of oil refineries with a capacity well above national production.

The population modified its consumption habits, demanding above all products not made in this country. It is obvious, therefore, that the increased foreign currency income resulting from the world economic situation and from oil prospecting reports, led to more importation of goods.

Subsequently, after 1975, there was a decline in oil production, and contrary to the first technical reports (even endorsed by international organizations), the results of the oil prospecting did not indicate any profitable commercial development at that time. The result was a drop in foreign currency income, without a parallel reduction in spending. Thus, there was a gap between revenues and spending that remained steady for several years.

To close this gap, the government resorted to long-, medium- and short-term foreign indebtedness (in order of precedence) on the one hand, and fiscal credit granted by the Central Bank on the other hand. Both sources partially financed the gap (and I say partially because the difference was covered with reserves, which began to drop at that time), causing in turn a greater demand for foreign currency. Let me explain: In order to pay off the loans received from abroad, foreign reserves were needed. On the side of the fiscal deficit, a greater quantity of Bolivian pesos was generated, and in the hands of the public, those pesos also exerted pressure on the exchange market (at that time administered by the Central Bank), whether to import consumer goods or simply as a reserve asset that allowed anyone holding dollars to protect himself against domestic inflation.

As a result of this surge in demand, the level of reserves at the Central Bank of Bolivia declined substantially. While the corresponding net balance was US \$241.8 million as of 31 December 1977, a year later that figure dropped to US \$3.1 million. By 1981, there was a deficit of US \$245.6 million. Thus, gross reserves were much lower than short-term obligations to other countries.

With regard to the foreign debt, it should be added that not only did it increase substantially, but its structure was modified because there was more dependence on short-term indebtedness. This places the country in a position of absolute dependency and uncertainty, since it constantly has to renegotiate terms to extend them.

Hence, while our need for foreign reserves was on the rise, our dependence on short-term foreign credit was also increasing.

Domestically, the situation has become more difficult as well. Why?

The public's tendency to hold dollars instead of bank deposits in national currency for the above-mentioned reasons limits the availability of funds in the banking system. This system has suffered a real decline in its capacity to loan money to commercial and industrial concerns, and the result has been an internal economic recession.

On the other hand, maintaining a fixed exchange rate meant subsidizing importers, while exporters were being penalized by keeping their income levels fixed as their costs rose steadily.

Consequently, the fact that the international banking community suddenly lost faith in the country's financial solvency, the lack of timely measures to solve the country's economic and financial crisis, and the impact of the economic blockade that was imposed on it, make it increasingly difficult, if not impossible, to find external financing.

The deterioration was so extensive that the amount of amortization and interest payments reached 64 percent of the exports of goods and services in 1981. That is, 64 percent of all current foreign currency income went right back out of the country. If the measures established on 22 March of this year are not adopted and continued, these payments could exceed 80 percent of exports.

In sum, we might mention the following problems that plagued the Bolivian economy before the March decrees were issued:

- a. Total loss of foreign reserves
- b. High inflation rate
- c. Recession
- d. Persistent public sector deficits
- e. Inefficient use of factors of production due to distortions in the pricing mechanisms

It is in response to this series of problems that the Supreme Government has devised a strategy to resolve this situation. Its exchange and monetary policy is just one tool in this strategy.

It will seek to stimulate the economy by developing the mining and metallurgical sector; it will encourage prospecting for oil; it will aid the export-oriented agriculture sector; and it will provide incentives for industry to use its installed capacity. In short, the government is not abandoning the economy to its fate; it is using various policy instruments, but it is not ignoring major national objectives. All efforts will focus circumstantially on solving the balance of payments problem, because as soon as that situation improves we will make the necessary adjustments, in accordance with our scheme, to provide new stimulus for the growth of production.

We feel that private investment, both national and foreign, will play a key role in this phase. But state-run enterprises will meet their specific objectives, subject of course to a restructuring as permitted by the rationalization of the fiscal deficit.

We have already explained the important role played by the exchange rate, both at home and abroad. Thanks to the present economic policy, we will have a net surplus of foreign reserves. We will cut the balance of payments

deficit until we reach equilibrium. We will reduce the fiscal deficit by using the resources of the state responsibly. We believe that with this effort, which no doubt involves a sacrifice, we will overcome the crisis that the country is undergoing.

A healthy economy, with responsible leadership, will guarantee that the international community will once again lend us its support. In fact, we expect to obtain credit from international organizations this year totaling about US \$310 million.

The Supreme Government has also predicted that gas exports to Brazil will become a reality as soon as possible.

In sum, we want to stress that the Bolivian economy is going through a difficult period, but we are taking the necessary steps to come to grips with the problems in a coherent manner.

Each and every Bolivian has the responsibility to contribute his initiative and sacrifice to the effort to overcome our current problems.

Thank you very much.

8926

CSO: 3010/1589

FIVE PDS GUBERNATORIAL CANDIDATES NOT YET CHOSEN

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Apr 82 p 2

[Text] Brasilia--The Social Democratic Party (PDS) has not yet succeeded in peacefully resolving the succession problem in Minas, Espirito Santo, Goias, Maranhao and Acre and there are predictions that the gubernatorial candidates must come out of the regional conventions. In Parana and Ceara, the selected candidates do not yet seem to be consolidated since their running mates on the ticket have not yet been named.

The PDS senators and deputies in Espirito Santo are keeping secret about the name of the candidate preferred by Governor Eurico Rezende to succeed him but denying that it is Deputy Teodorico Ferraco. They support Rezende's veto of his predecessor, Elcio Alvares, alleging that he can be the candidate for the senate but never for the governorship. There is no indication of a consensus in sight.

In Goias, the allies of former Governor Otvaio Lage do not accept the solution imposed by Governor Ari Valadao, who opted for the candidacy of Brasilio Caiado, and announce that they are going to contest it in the convention. The governor's followers advise also that the senatorial candidate vacancy is at the disposal of Lage.

In Maranhao, Senator Jose Sarney himself, the national president of the party, confirms that the dispute between candidates Alexandre Costa, Edson Lobao and Luiz Rocha, the latter apparently his preferred candidate, will be decided at the convention. Governor Joao Castelo, who is leaving his post on 14 May to run for the senate, vetoes the three names.

In Acre, it is even difficult to hold a meeting of the party leadership to make a preview, as was done in Rio Grande do Sul and in Amazonas. It was tried on the 23d and it was not possible. There, one of the strong candidates is Deputy Nossier de Almeida, supported by the current Governor Joaquim Macedo and his successor. On the other hand, there is Senator Jorge Kalume, who wants to return to the governorship. Also candidates for nomination are Wildy Vianna, brother-in-law and political adversary of the governor, and Amilcar de Queiroz.

The opposition is spreading the story in Brasilia that the governor of Prana, Ney Braga, is leaning toward renouncing his candidacy to the senate in view of

the difficulties faced by his candidate to the governorship, engineer Saul Raiz. The candidate for vice governor, Antonio Belinnati, refused the nomination, alleging that Raiz is unpopular and it is very difficult to discover a successor that will favor the official candidacy in the Londrina area, where the PMDB candidate, Senator Jose Richa, came from.

The group of Deputy Adauto Bezerra has not yet fulfilled its part of the agreement signed with Virgilio Tavora and Cesar Cals to name the candidate for vice governor on the slate headed by Professor Luiz Nogueira Mota. Tavora wants to go to Brasilia on 10 May to bid farewell to Figueiredo--who will be traveling to the United States--before he relinquishes his post in order to vie for the senate and to permit his son, Carlos Virgilio, to be elected federal deputy.

And Senator Lomato Junior (PDS-Bahia), who continues to fight to become the candidate for the governorship of Bahia, threatened in Brasilia yesterday to "assume a position above his party duties" if his party's regional convention is not held "in good faith and in earnest." The senator said that he will contend in the Bahian PDS convention "provided that it is not rigged," but he will not go to the party meeting "if the convention appears to be a farce, with marked cards."

PMDB

As for the PMDB, it has already named its candidates for the 15 November major elections in two more states: Mato Grosso and Mato Grosso do Sul. In Mato Grosso, the candidacy of Father Raimundo Pombo, a member of the state education council, for the governorship of the state has been confirmed. The candidate for vice governor will be Federal Deputy Louremberg Nunes Rocha (formerly of the National Renewal Alliance--ARENA--and of the PP). And for the senate, former Senator Bezerra Neto and former Governor Garcia Neto (formerly of ARENA and of the PP) will be candidates in a subslate.

In Mato Grosso do Sul, the candidate for the governorship will be former Deputy Wilson Martins (formerly of the National Democratic Union--UDN--and of the Brazilian Democratic Movement--MDB); and for the senate Senator Mendes Canali (formerly of ARENA and the PP) will run for reelection.

8711

CSO: 3001/133

COURT DENIES RADIO-TV HOOKUP TO AIR PTB PARTY PROGRAM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Apr 82 p 4

[Text] In Brasilia yesterday, the Superior Electoral Court (TSE) by unanimous vote denied the right of the Brazilian Labor Party (PTB) to broadcast over a national radio and television network the public session that would announce the party program. The TSE justified its denial on the basis of the fact that the party had not met the time periods required by the Organic Law on Political Parties, as the Democratic Workers Party (PDT) had done; last week, the court had granted the latter 1 hour to announce its program on a radio and television network.

The PTB request was judged in record time by the TSE. It was prepared yesterday and was considered and judged by the court on the same day. In its petition, the party alleged that it was not aware of the revocation of Complementary Act No 104 that had permitted the granting of time to the PDT. However, the court was categorical in stating that since the time periods had expired, it was impossible to grant the petition although the party had guaranteed that it would be in a position to hold the session by 15 May, the date on which the time period established by law for that type of announcement would expire.

PMDB

Without yet knowing of that decision by the TSE, at a meeting called by party president Ulysses Guimaraes for 1600 hours today the PMDB National Executive Committee is going to study the advisability of consulting the TSE with regard to the party's right also to hold a public session to announce its program.

Ulysses Guimaraes also plans to study the matter with other parties but another PMDB leader commented informally that the party would succeed in getting a radio and television broadcast of a public meeting only if the TSE "is very liberal." "The time period to request it has already expired and only the PDT took the necessary steps in time," he added.

Under the terms of the law, the PMDB would have had to request authorization from the KSE for the broadcast by 14 April. In an election year, the broadcast of a party's public session to disseminate its program is not permitted after 15 May--180 days before the election.

Brizola Prepares Himself

"Our performance will have to be irreproachable," asserted former Governor Leonel Brizola in Rio yesterday, referring to the program which the PDT is going to broadcast at 2100 hours on Tuesday over a national radio and television network. Brizola said that he is aware of the responsibility and that the party will be guided by the sense of "reporting the Brazilian situation, offering a contribution, and finding a solution for the impasse."

The National Executive Committee of the PDT will meet in Rio tonight to discuss who will be the speakers in the program that the PDT succeeded in getting and what topics will be presented. Since the party received a period of 1 hour, there will only be three speakers and the topics will be national in scope inasmuch as the broadcast will be for all of Brazil. Although Brizola has not confirmed it, it is practically set that he, former Minister Darcy Ribeiro and Deputy Alceu Collares will be the speakers. The program will be presented directly from the senate.

Leonel Brizola explained why only the PDT obtained the time to explain its party program to the nation: "The fact is that the leaders of the other parties did not believe in the possibility and we believe in what we are doing and in the building of democracy, and we believe that we have to take advantage of the opportunities that are available and promised to us."

8711

CSO: 3001/133

'VISAQ' SUBSCRIBERS POLLED ON PROBLEMS, SOLUTIONS

Sao Paulo VISAQ in Portuguese 26 Apr 82 pp 49-80

[Survey by VISAQ of subscriber views on national problems and proposed solutions]

[Text] In this special edition, our readers are allowed to speak: in response to the poll conducted among VISAQ's subscribers, they discuss their problems, propose solutions, and indicate which courses Brazil should follow.

VISAQ's readers would like to solve their own problems with as little interference as possible from the government, which they distrust. That is the chief finding of the Brazil-82 survey, the second such survey to be conducted among our subscribers on an annual basis. Their distrust shows up in the various fields into which the survey is divided: our readers are concerned primarily with unemployment and the cost of living (according to the answers given in the section on "The Country"), but they do not include those topics among the issues that should be given priority in discussions by our politicians and rulers (according to the answers given in the section on "Politics"). They are demanding that social welfare's moral standards be improved (and a sizable number of them feel that returning it to private hands is the only way to solve its problems). They complain about government medical care, demand changes in education, and do not agree that the government should dictate educational standards at all levels.

VISAQ's survey was conducted along the same lines as the pioneering experiment carried out in 1981. The questionnaires were prepared by the magazine's editors, with the questions being divided up by subject: the country, politics, science and technology, culture, and the economy. Another section asking for personal information made it possible to profile the reader and classify him by socioeconomic category according to ABA-Abipeme criteria (which evaluate the quantity of a number of specific items owned by the interviewee, taking his level of education into account as well).

The questionnaires were included in the regular issue sent to VISAQ's subscribers. There were 4,338 responses--or about 3 percent--a level considered excellent in surveys of this kind. The questionnaires were then processed using a Model 145 IBM 370 computer (512 Kbits).

| | | (1) | (2) | (3) | (4) | (5) | | | | | |
|-----------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| Sex | Total | CLASSES | | | | | Regions | | | | |
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Male | 90.0 | 93.3 | 92.3 | 86.3 | 84.7 | 64.0 | 93.2 | 91.9 | 93.0 | 89.8 | 89.2 |
| Female | 9.1 | 5.8 | 7.2 | 12.7 | 13.6 | 24.0 | 6.8 | 7.5 | 5.5 | 9.6 | 9.6 |
| No answer | 0.9 | 0.9 | 0.5 | 1.0 | 1.7 | 12.0 | 0.0 | 0.6 | 1.6 | 0.6 | 1.2 |

| Age | Total | CLASSES | | | | | Regions | | | | |
|----------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| • 19 and under | 5.9 | 2.6 | 4.0 | 8.8 | 13.6 | 4.0 | 6.8 | 2.9 | 5.9 | 6.1 | 6.0 |
| • 20 - 24 | 22.1 | 8.9 | 14.9 | 33.6 | 50.0 | 64.0 | 17.9 | 19.5 | 18.0 | 26.0 | 19.9 |
| • 25 - 29 | 22.7 | 11.5 | 25.3 | 29.4 | 23.1 | 16.0 | 27.4 | 22.1 | 25.0 | 24.2 | 20.8 |
| • 30 - 34 | 19.4 | 21.4 | 23.8 | 16.1 | 7.5 | 8.0 | 28.2 | 18.5 | 22.7 | 19.2 | 18.8 |
| • 35 - 39 | 11.5 | 17.6 | 13.9 | 6.1 | 1.9 | 4.0 | 7.7 | 17.5 | 14.8 | 9.6 | 12.0 |
| • 40 - 44 | 6.9 | 15.0 | 5.8 | 3.0 | 0.8 | 4.0 | 6.0 | 9.1 | 4.7 | 6.4 | 7.4 |
| • 45 - 49 | 4.1 | 8.3 | 4.3 | 1.2 | 0.8 | 0.0 | 1.7 | 5.2 | 3.9 | 3.4 | 4.8 |
| • 50 - 65 | 5.9 | 12.0 | 6.3 | 1.4 | 1.4 | 0.0 | 3.4 | 4.5 | 4.3 | 4.0 | 8.2 |
| • Over 65 | 1.0 | 2.1 | 1.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.6 | 0.8 | 0.5 | 1.7 |
| • No answer | 0.4 | 0.4 | 0.5 | 0.2 | 0.8 | 0.0 | 0.9 | 0.0 | 0.0 | 0.5 | 0.4 |

| Level of education | Total | CLASSES | | | | | Regions | | | | |
|-------------------------|-------|---------|------|------|------|------|---------|----------|------------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro— Oeste | Sul | Sudeste |
| Primary | 0.6 | 0.1 | 0.8 | 0.7 | 1.7 | 0.0 | 1.7 | 1.0 | 0.4 | 0.6 | 0.6 |
| Lower secondary (part) | 1.9 | 0.4 | 1.6 | 2.9 | 4.7 | 0.0 | 1.7 | 2.3 | 1.2 | 1.8 | 2.1 |
| " " (complete) | 2.5 | 1.0 | 1.9 | 3.9 | 5.0 | 8.0 | 1.7 | 2.3 | 2.3 | 3.3 | 1.9 |
| Higher secondary (part) | 6.4 | 1.9 | 4.3 | 10.4 | 14.7 | 8.0 | 4.3 | 5.8 | 7.4 | 7.1 | 5.8 |
| " " (complete) | 13.5 | 4.7 | 11.7 | 20.8 | 21.1 | 28.0 | 25.6 | 16.6 | 14.8 | 14.2 | 11.4 |
| University (part) | 29.4 | 15.8 | 27.6 | 41.4 | 36.9 | 32.0 | 23.9 | 25.3 | 25.0 | 33.7 | 27.0 |
| " (complete) | 44.2 | 75.5 | 50.8 | 18.8 | 11.9 | 12.0 | 39.3 | 45.8 | 46.9 | 38.3 | 49.3 |
| No answer | 1.4 | 0.9 | 1.2 | 1.2 | 3.9 | 12.0 | 1.7 | 1.0 | 2.0 | 1.0 | 1.7 |

| Do you work? | Total | CLASSES | | | | | Regions | | | | |
|--------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Yes | 93.4 | 95.0 | 92.9 | 93.4 | 91.1 | 84.0 | 98.3 | 94.5 | 94.9 | 93.8 | 92.3 |
| No | 4.6 | 4.1 | 5.4 | 4.9 | 2.2 | 0.0 | 1.7 | 4.2 | 3.1 | 4.5 | 5.1 |
| No answer | 2.0 | 0.9 | 1.8 | 1.8 | 6.7 | 16.0 | 0.0 | 1.3 | 2.0 | 1.7 | 2.6 |

Key:

1. North 2. Northeast 3. Center-West 4. South 5. Southeast

It was then up to the magazine's editors to draw the conclusions: to interpret and translate into words the data furnished by our readers, compare them with last year's results in an effort to discover trends and establish the broad outlines of our readers' opinions, and write this final article as a summary of the opinions of VISA0's subscribers.

Who are they? They are people between the ages of 20 and 44 (our readers are younger in comparison with the 1981 survey), they are predominantly in the middle and upper classes (91.12 percent belong to Class A, B, or C), and they are highly educated (44.2 percent have completed their higher education, and 29.4 percent have some degree of higher education). In general, it was men who answered the questionnaire--90 percent--meaning that as in 1981, the answers were provided primarily by the head of the household. The responses came chiefly from the Southeast (44.16 percent), followed by the South (40.13 percent), the Northeast (6.98 percent), the Center-West (5.9 percent), and the North (2.83 percent).

For statistical purposes, not much significance should be attached to the responses from Class E, since the number of VISA0 readers in that class is small.

The questionnaire comprised a total of 73 questions, many of them allowing for more than one answer, which explains why some totals exceed 100 percent. In some cases, cross-checking the answers seems to result in inconsistency. For example, the cost of living is the basic concern of our subscribers, but it does not receive priority in the list of things they think should be discussed by the politicians. But that inconsistency is only apparent: in this case, the correct interpretation is that the problem causes concern, but it is not the politicians who are going to solve it. The same apparent inconsistency shows up in the case of unemployment: unemployment exists and is an important issue, but we must not count on the government to resolve it.

For the most part, it is a matter of reading, analyzing, and reflecting--and that applies chiefly to the politicians: in this year of 1982, the voice of the readers is the voice of the voters.

Politics: The Problem Is Distrust

VISA0's reader does not like politicians very much and does not regard as very important the issues being debated by the politicians, but he trusts President Joao Figueiredo--less than last year, but he still trusts him. He believes that the political relaxation should be continued at the present rate: no slower and no faster. But in his opinion, that is not the most important issue deserving political debate in the country.

The most important issues that our readers would like to see debated in the political arena are education and culture (in first place as far as Classes A, B, and D are concerned, in second place for Classes C and E, and, by geographical area, in first place in all the country's regions). The next most important issues are employment, inflation, agricultural development, the cost of living, health, housing, protection of the environment, personal safety, and the foreign debt.* [See the footnote on the following page.]

One big surprise: the wage issue is in 11th place--in other words, our readers do not consider it an issue to be debated by politicians: it should be dealt with directly between employees and employers. Politics in itself is in last place among people's concerns: even an important issue such as the politico-philosophical definition of the Brazilian system is way down in 13th place, following tax reform, and election reforms are in 15th place, after the energy crisis.

Distrust of politicians is clear and growing: it is believed that the parties act in accordance with the interests of their leadership (47.2 percent) or the immediate interests of the politicians themselves (31.9 percent); only 7.4 percent answered that party action is based on principles. As far as the political debate is concerned, "it is of interest only to the rulers and the politicians" (73.2 percent) or "it revolves around secondary issues" (14.7 percent); only 8.6 percent feel that basic issues are being debated. Last year, more people--10.4 percent of those polled--believed that the issues being debated were important, and fewer people (69.4 percent) felt that the debate was of interest only to the rulers and the politicians (the drop in credibility is unquestionably due to the dull discussion of purely electoral matters over the past few months, examples being the merger of the PP [People's Party] with the PMDB [Brazilian Democratic Movement Party], the November "package," the discussion of whether or not to bring back the factional list, and other issues that are esoteric as far as ordinary mortals are concerned.

A number of responses to the question as to what motivates candidates and parties show exactly what the interviewees think of them: "They all want power; they do not care about the well-being and future of the nation"; "There are not and have never been political parties in Brazil. There are only insignificant little groups"; "There is a lack of politicians with character and spirit; there are no political personalities"; "Their only interest is in being in power, and they do not think about the nation's needs"; "There is a lack of respect for the people"; and "[Their motivation is to] protect the bailiwicks they have carved out for themselves by force." Not one response was favorable to the politicians or the parties they belong to.

But VISA0's readers are interested in politics. Half of them (47.8 percent, to be exact) know the correct definition of democracy--a method of reaching political and administrative decisions and nothing more than that--while only 16.6 percent still consider it a political system that is an end in itself (last year, 18.2 percent of those responding made that error).

Incidentally, a large number of those polled (30.6 percent, or almost a third of the total) made it a point to add their personal ideas about democracy. Those ideas ranged from the ethical--"a government free of any and all forms of corruption"--to the economic--"we must nationalize all the multinational companies"--to the purely humorous--"democracy is organized anarchy."

* Last year's results: inflation, the cost of living, safety, foreign debt, the wage issue, the energy crisis, a politicophilosophical definition of the system, and election reforms.

President Joao Figueiredo promised
to "make this country a democracy."
In your opinion, he:

(1) (2) (3) (4) (5)

Is doing so
Has done less
Has done more
No answer

| Total | CLASSES | | | | | Regions | | | | |
|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 43.1 | 42.8 | 42.3 | 44.1 | 43.1 | 60.0 | 47.0 | 42.2 | 44.9 | 45.0 | 41.1 |
| 51.6 | 51.3 | 52.6 | 51.0 | 51.9 | 28.0 | 45.3 | 53.6 | 48.8 | 49.8 | 53.6 |
| 2.2 | 2.7 | 2.4 | 1.5 | 1.7 | 4.0 | 3.4 | 1.9 | 3.5 | 2.3 | 1.9 |
| 3.1 | 3.2 | 2.7 | 3.4 | 3.3 | 8.0 | 4.3 | 2.3 | 2.7 | 2.9 | 3.4 |

In your opinion, democracy is:

| | Total | CLASSES | | | | | Regions | | | | |
|-----|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 16.6 | 19.1 | 17.7 | 13.8 | 14.4 | 16.0 | 11.1 | 14.9 | 14.5 | 16.0 | 18.1 |
| (7) | 47.8 | 47.9 | 47.2 | 49.5 | 43.3 | 48.0 | 49.6 | 48.7 | 46.9 | 47.9 | 47.5 |
| (8) | 30.6 | 26.9 | 29.8 | 32.6 | 38.1 | 36.0 | 34.2 | 30.8 | 30.9 | 32.0 | 29.1 |
| (9) | 5.0 | 6.0 | 5.2 | 4.1 | 4.2 | 0.0 | 5.1 | 5.5 | 7.8 | 4.1 | 5.3 |

Key:

1. North
2. Northeast
3. Center-West
4. South
5. Southeast
6. A system of government requiring no additional political definition; it is an end in itself
7. A method of reaching political and administrative decisions such as the selection of rulers, voting on laws, and so on
8. Other
9. No answer

They do demonstrate, however, that the difficulty of discussing the concept of democracy--already noted in the Brazil-81 survey--persists, reflecting to a large extent the minor importance normally attached by the media to the correct use of words and concepts.

A couple of examples: Abraham Lincoln's fine phrase after the Battle of Gettysburg--"government of the people, by the people, and for the people"--is often quoted out of context or modified slightly to read "government by the state for the people." Those are concepts devoid of political or philosophical meaning. There are those who consider democracy "technically inviable, at least for Brazil," without providing any further explanation, and others who confuse it with dictatorships, defining it as a system in which the "common man obeys the laws imposed by his rulers."

One fact must not be forgotten, however, and that is that the questionnaire did not ask the reader to add his own remarks, although it did leave that possibility open. The number of responses in which additions were made to the definitions proposed by the questionnaire clearly demonstrates an interest in politics. And that is not the only proof: one out of every three of those polled (33 percent) claims to have read the Federal Constitution--a significant increase over last year's figure, which was 28.9 percent.

"Good Guy Joao"--Although distrustful of politicians in general and taking exception to the issues they have been discussing, those we polled make one exception: they support President Joao Figueiredo, their only desire being that he accelerate the fulfillment of his promises. In all, 43.1 percent feel that the president is fulfilling his commitment to "make this country a democracy," and 2.2 percent feel that Figueiredo "has already done more than he promised." The majority, however, would like to see things speeded up: 51.3 percent of those polled believe that the president "has done less than he promised." Those figures constitute a warning signal for the government: in the Brazil-81 survey, 52.8 percent of those polled felt that the president was fulfilling his promises, while 4.1 percent said that he had already done more than he promised. Only 39 percent felt that he had not yet lived up completely to the commitments he had made.

The same trust and the same warning are repeated in response to another question, which asked whether the measures adopted by the government to put the planned political relaxation into effect are the correct ones or not. The great majority--76.9 percent--feels that they are "partly correct," 15.5 percent consider them "correct," and only 5.5 percent consider them "incorrect." That is a vote of confidence, without a doubt, but last year, 46.2 percent of those polled considered the government's measures "correct," only 1.8 percent thought they were "incorrect," and 48.6 percent viewed them as "partly correct." That is a sharp drop and one that is very evenly shared: the figures are similar in all the social classes, and the responses vary to the same degree in all the country's regions.

Let us take one example: in 1981, it was Class A which felt most strongly that the government's measures were "correct" (47.9 percent), while Class C showed the least support (43.3 percent). This year, it is Class E which has the most

In the plan for political relaxation, the chief measures adopted by the Figueiredo administration have been amnesty, reorganization of the parties, the restoration of direct elections for governor beginning in 1982, and the "November package." Those measures were:

Correct
Incorrect
Partially correct
No answer

| | | | | | | (1) | (2) | (3) | (4) | (5) |
|---------|------|------|------|------|------|---------|----------|--------------|------|---------|
| CLASSES | | | | | | Regions | | | | |
| Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 15.5 | 15.6 | 14.5 | 16.2 | 17.2 | 20.0 | 19.7 | 14.6 | 19.9 | 16.1 | 14.4 |
| 5.5 | 3.6 | 5.9 | 6.3 | 6.9 | 0.0 | 3.4 | 8.4 | 4.7 | 6.1 | 4.6 |
| 76.9 | 78.7 | 77.5 | 75.8 | 72.8 | 80.0 | 74.4 | 75.0 | 75.0 | 76.0 | 78.4 |
| 2.1 | 2.0 | 2.2 | 1.7 | 3.1 | 0.0 | 2.6 | 1.9 | 0.4 | 1.7 | 2.6 |

The parties competing in the upcoming elections act in accordance with:

Politicophilosophical principles
Interests of personal leadership
Immediate political interests
Other motivations
No answer

| | | | | | | Regions | | | | |
|---------|------|------|------|------|------|---------|----------|--------------|------|---------|
| CLASSES | | | | | | Regions | | | | |
| Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 7.4 | 5.6 | 6.9 | 9.3 | 8.6 | 16.0 | 10.3 | 9.7 | 9.4 | 7.6 | 6.5 |
| 47.2 | 44.7 | 47.7 | 48.0 | 48.3 | 64.0 | 53.8 | 51.6 | 44.5 | 47.0 | 46.5 |
| 31.9 | 37.7 | 32.1 | 29.0 | 23.9 | 16.0 | 19.7 | 26.3 | 34.4 | 31.1 | 33.9 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 13.5 | 12.0 | 13.3 | 13.7 | 19.2 | 4.0 | 16.2 | 12.3 | 11.7 | 14.3 | 13.0 |

The political debate now underway in Brazil has revolved chiefly around:

Basic political issues
Secondary political issues
Issues of interest only to the rulers and politicians
No answer

| | | | | | | Regions | | | | |
|---------|------|------|------|------|------|---------|----------|--------------|------|---------|
| CLASSES | | | | | | Regions | | | | |
| Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 8.6 | 6.8 | 8.4 | 9.7 | 10.6 | 16.0 | 6.0 | 8.8 | 7.0 | 8.7 | 8.9 |
| 14.7 | 15.2 | 14.3 | 14.4 | 15.8 | 8.0 | 6.8 | 12.7 | 13.3 | 17.8 | 12.8 |
| 73.2 | 74.3 | 73.5 | 72.9 | 69.4 | 76.0 | 81.2 | 74.4 | 75.8 | 70.6 | 74.6 |
| 3.5 | 3.6 | 3.7 | 2.9 | 4.2 | 0.0 | 6.0 | 4.2 | 3.9 | 2.9 | 3.7 |

Key:

1. North 2. Northeast 3. Center-West 4. South 5. Southeast

confidence: 20 percent consider the government stands "correct." Class B gives them the least support (14.5 percent). By region, the government's greatest support is in the Center-West at 19.9 percent (compared to 47.5 percent last year), and its lowest support is in the Southeast at 14.4 percent (compared to 46.4 percent in 1981).

An important change is noted: last year, the higher the economic class, the greater was the support for the government, but this year there is an almost complete reversal. Now the greatest support for the government is in Class E, followed by Class D (17.2 percent), Class C (16.2 percent), Class A (15.6 percent), and Class B (14.5 percent). The reason may be the wage policy, but in any case, it is a warning signal and another indication that the middle class, which was largely responsible for the 1964 Revolution, is drawing away from the government and drastically reducing the latter's base of support.

Despite everything, trust in President Joao Figueiredo is still sizable, although it has declined, and it is strong enough for the great majority of those polled to feel that the process of political relaxation will continue to progress at the present rate (56 percent, compared to 66 percent last year). In this case, trust in the government follows exactly the economic class of the readers in question: the most confident (61.4 percent) are in Class A, followed by Classes B, C, D, and E (the last-named at 32 percent). By geographic area, confidence also climbs along with income: it is greatest in the Southeast (58.6 percent), followed by the South, the Center-West, the Northeast, and the North (45.3 percent).

A numerous contingent among those polled believes, however, that the government will choose a political "tightening-up" in 1982 (30.3 percent, compared to only 19.8 percent last year). Once again, the readers are divided according to their economic class, although not so rigidly: Class E believes most strongly that there will be a tightening-up (44 percent), followed by Classes D, B, C, and A (the last-named at 28.6 percent). Geographically, the division is clear-cut: the poorer the region, the more it believes that the relaxation will end in 1982.

Another contingent, much less numerous but still sizable, believes that the relaxation process will be accelerated this year. Classes B and C are those most attracted by that idea, while practically no one in Class E believes it. In all, 10.4 percent of those polled (compared to 7.9 percent in 1981) feel that 1982, an election year, will see the final consolidation of the political process initiated by President Joao Figueiredo.

The confidence of those polled in the president of the republic does not seem to extend to his government's administrative action, however. Two specific questions were asked to evaluate receptiveness to two basic points in its program: denationalization and less bureaucracy. More than half of those responding said that denationalization is not taking place in Brazil (52.4 percent), and the number of negative responses rises along with economic class--as it happens, the more acquainted the citizen is with the subject, the less he believes that the highly necessary denationalization of the economy is happening. Only 18.7 percent of those polled believe in the existence of denationalization, while 26.1 percent do not know whether it is happening or not.

The Brazilian system is based on
politicophilosophical principles of:

(1) (2) (3) (4) (5)

Individual freedom
Collectivism
Combination of the above
No answer

| Total | CLASSES | | | | | Regions | | | | |
|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 23.6 | 22.1 | 22.7 | 25.6 | 24.4 | 24.0 | 31.6 | 23.1 | 22.3 | 25.4 | 21.6 |
| 8.8 | 9.6 | 7.9 | 8.4 | 10.8 | 12.0 | 6.8 | 7.1 | 7.0 | 8.1 | 10.0 |
| 59.2 | 58.9 | 61.3 | 57.9 | 56.1 | 60.0 | 53.8 | 60.1 | 62.1 | 59.0 | 59.2 |
| 8.5 | 9.5 | 8.0 | 8.1 | 8.6 | 4.0 | 7.7 | 9.7 | 8.6 | 7.5 | 9.2 |

The basic issues that should be the subject
of political discussion are:

| Total | CLASSES | | | | | Regions | | | | |
|-----------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) 51.2 | 47.9 | 50.6 | 54.2 | 51.9 | 60.0 | 48.7 | 62.0 | 54.7 | 47.6 | 52.3 |
| (7) 59.5 | 59.1 | 58.7 | 60.1 | 62.2 | 60.0 | 58.1 | 63.3 | 60.5 | 60.1 | 58.3 |
| (8) 31.5 | 29.2 | 31.2 | 33.2 | 34.7 | 24.0 | 28.2 | 35.1 | 29.3 | 28.9 | 33.8 |
| (9) 33.0 | 30.6 | 32.1 | 35.4 | 33.9 | 52.0 | 33.3 | 33.1 | 31.6 | 33.3 | 32.9 |
| (10) 42.7 | 43.0 | 41.9 | 44.0 | 40.6 | 52.0 | 43.6 | 48.4 | 46.5 | 40.4 | 43.4 |
| (11) 43.1 | 38.4 | 43.0 | 46.8 | 44.2 | 60.0 | 51.3 | 46.8 | 45.3 | 42.4 | 42.4 |
| (12) 43.9 | 43.9 | 45.6 | 42.7 | 40.0 | 48.0 | 39.3 | 51.9 | 45.3 | 43.4 | 43.1 |
| (13) 56.3 | 50.7 | 55.4 | 61.0 | 60.3 | 64.0 | 55.6 | 60.7 | 56.3 | 53.7 | 58.0 |
| (14) 22.5 | 27.5 | 21.4 | 20.2 | 19.4 | 20.0 | 23.1 | 24.7 | 21.5 | 21.0 | 23.5 |
| (15) 15.1 | 15.6 | 15.1 | 14.8 | 14.7 | 20.0 | 16.2 | 16.9 | 17.2 | 13.8 | 15.8 |
| (16) 38.3 | 33.1 | 38.6 | 42.0 | 38.9 | 52.0 | 34.2 | 43.5 | 39.1 | 37.3 | 38.5 |
| (17) 22.7 | 27.8 | 24.0 | 18.3 | 18.1 | 12.0 | 17.9 | 19.8 | 19.5 | 23.5 | 23.2 |
| (18) 27.5 | 22.7 | 24.9 | 32.9 | 33.3 | 44.0 | 28.2 | 33.8 | 29.7 | 26.8 | 26.9 |
| (19) 14.0 | 15.2 | 13.5 | 13.3 | 14.2 | 28.0 | 12.8 | 16.6 | 17.6 | 12.6 | 14.5 |
| (20) 32.0 | 32.5 | 31.4 | 32.4 | 30.8 | 32.0 | 34.2 | 30.2 | 35.2 | 31.4 | 32.2 |
| (21) 10.1 | 10.9 | 10.0 | 9.5 | 10.3 | 4.0 | 10.3 | 10.4 | 12.5 | 10.2 | 9.6 |
| (22) 2.7 | 2.7 | 2.7 | 2.4 | 4.2 | 0.0 | 2.6 | 2.6 | 0.8 | 2.6 | 3.1 |

Key:

- | | |
|----------------------------------|--|
| 1. North | 12. Agricultural development |
| 2. Northeast | 13. Employment and unemployment |
| 3. Center-West | 14. Politicophilosophical definition of the system |
| 4. South | 15. Energy crisis |
| 5. Southeast | 16. Housing |
| 6. Inflation | 17. Tax reform |
| 7. Education and culture | 18. Wage issue |
| 8. Foreign debt | 19. Election reforms |
| 9. Protection of the environment | 20. Personal safety |
| 10. Health | 21. Other |
| 11. Cost of living | 22. No answer |

This year the government will adopt the following course:

Political tightening-up
Continue political relaxation at present rate
Accelerate relaxation
No answer

| | (1) (2) (3) (4) (5) | | | | | | | | | |
|-------|---------------------|------|------|------|------|---------|----------|--------------|------|---------|
| | CLASSES | | | | | Regions | | | | |
| Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 30.3 | 28.6 | 31.1 | 29.8 | 33.1 | 44.0 | 41.9 | 38.3 | 33.2 | 30.8 | 27.5 |
| 56.0 | 61.4 | 57.4 | 52.4 | 47.5 | 32.0 | 45.3 | 48.7 | 53.9 | 55.4 | 58.6 |
| 10.4 | 6.0 | 8.8 | 14.6 | 15.3 | 20.0 | 10.3 | 10.4 | 9.0 | 10.5 | 10.5 |
| 3.3 | 4.0 | 2.7 | 3.2 | 4.2 | 4.0 | 2.6 | 2.6 | 3.9 | 3.3 | 3.4 |

Have you read the country's current constitution?

Yes
No
No answer

| | CLASSES | | | | | Regions | | | | |
|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 33.0 | 41.7 | 34.8 | 26.0 | 23.3 | 24.0 | 35.9 | 35.7 | 40.6 | 30.7 | 33.4 |
| 64.8 | 55.9 | 63.4 | 71.1 | 74.7 | 72.0 | 61.5 | 62.3 | 59.0 | 67.0 | 64.1 |
| 2.3 | 2.4 | 1.8 | 2.9 | 1.9 | 4.0 | 2.6 | 1.9 | 0.4 | 2.4 | 2.5 |

Do you believe that a process of denationalization is really occurring in Brazil?

Yes
No
I don't know
No answer

| | CLASSES | | | | | Regions | | | | |
|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 18.7 | 20.0 | 18.7 | 17.7 | 18.3 | 16.0 | 17.1 | 21.1 | 18.8 | 18.1 | 18.9 |
| 52.4 | 64.5 | 55.6 | 43.5 | 35.6 | 20.0 | 56.4 | 47.4 | 46.9 | 50.5 | 55.4 |
| 26.1 | 13.2 | 23.2 | 35.4 | 42.5 | 64.0 | 24.8 | 28.6 | 31.3 | 28.7 | 22.7 |
| 2.8 | 2.3 | 2.6 | 3.4 | 3.6 | 0.0 | 1.7 | 2.9 | 3.1 | 2.6 | 3.0 |

What is your opinion of the efforts to reduce bureaucracy in Brazil?

Results satisfactory
Results unsatisfactory
I have no opinion
No answer

| | CLASSES | | | | | Regions | | | | |
|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| 28.6 | 28.3 | 29.9 | 28.2 | 25.6 | 32.0 | 34.2 | 20.8 | 33.6 | 29.2 | 28.4 |
| 63.0 | 66.2 | 62.0 | 61.6 | 61.9 | 64.0 | 58.1 | 68.8 | 55.9 | 62.8 | 63.4 |
| 6.2 | 3.3 | 6.2 | 7.7 | 9.7 | 4.0 | 5.1 | 7.8 | 9.8 | 5.9 | 5.8 |
| 2.2 | 2.2 | 1.8 | 2.5 | 2.8 | 0.0 | 2.6 | 2.6 | 0.8 | 2.1 | 2.4 |

Key:

1. North 2. Northeast 3. Center-West 4. South 5. Southeast

The results as far as reducing the bureaucracy is concerned are considered "unsatisfactory" by 63 percent of those we polled; only 28.6 percent consider them "satisfactory," while 6.2 percent have no opinion. In this case, Classes A and E are the same: both condemn, in almost equal numbers, the pace at which the program to reduce bureaucracy (headed by Helio Beltrano) is proceeding.

The survey indicates support for the president, but a lack of support for the government. It also shows that the lack of support for the government is not producing greater confidence in opposition theses. A question was asked to evaluate the receptiveness of our readers to the basic thesis of the PMDB--the convening of a National Constituent Assembly--which, from the party's point of view, will represent the starting point for the correct legal ordering of the country and provide the basis on which to go about solving the country's problems. Of those polled, almost two-thirds do not believe that convening the constituent assembly will help solve the country's problems. And only one-third believes that the constituent assembly will be part of the solution. This is another case where the answers are closely tied to economic class: the poorer the class, the greater its confidence in the constituent assembly. This is as true of individuals as it is of the geographical regions where the responses originated: in the Southeast and South, which are the country's richest regions, the idea of a constituent assembly arouses much less enthusiasm than in the North and the Northeast.

Trust in whom?--On balance, the responses to the survey give reason for concern: those polled are not very happy with some of the Federal Government's basic projects, such as denationalization and less bureaucracy, and they are starting to show impatience with the rate at which the process of political relaxation is progressing. They reject the basic point in the opposition program (the convening of the National Constituent Assembly), they do not believe that the political issues being debated are important, and they are deeply distrustful of our politicians. In Brazilian political circles, they strictly trust only President Joao Figueiredo, but even that trust is less strong than it was last year.

Perhaps the persistence of inflation at a rate close to 100 percent, or the bad examples set by those at the top (delayed payments, runaway budgets, and ill-timed changes in the rules in the middle of the economic game), or the recession and unemployment--all of that may help reach a better understanding of the deep skepticism reflected in the survey. But it is not enough to understand it: it is necessary rapidly to overcome it and transform it into enthusiasm for seeing the country solve its problems.

The Country: Issues of Concern to Brazilians

Unemployment and the rising cost of living are the two issues taking priority in the concerns of VISA0's readers in this year of 1982. There are only slight differences by group of reader: for Class A, the cost of living takes precedence over unemployment in the ranking of concerns, while in Classes B, C, and D, unemployment picks up some percentage points.

(1) (2) (3) (4) (5)

What will be your city's
biggest problem in 1982?

| | Total | CLASSES | | | | | Regions | | | | |
|------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Traffic | 8.8 | 10.5 | 8.2 | 8.2 | 8.1 | 0.0 | 12.8 | 5.8 | 7.0 | 7.1 | 10.5 |
| Unemployment | 34.1 | 29.6 | 33.7 | 37.2 | 38.6 | 36.0 | 19.7 | 38.0 | 29.7 | 30.2 | 38.5 |
| Food | 4.8 | 4.8 | 3.9 | 5.3 | 7.2 | 0.0 | 17.9 | 8.1 | 2.7 | 3.0 | 5.3 |
| Pollution | 7.0 | 6.5 | 7.5 | 6.7 | 7.5 | 4.0 | 1.7 | 2.6 | 0.0 | 5.6 | 10.1 |
| Cost of living | 34.4 | 33.7 | 34.0 | 34.3 | 37.8 | 44.0 | 49.6 | 37.7 | 39.8 | 33.1 | 33.4 |
| Housing | 12.5 | 9.7 | 12.1 | 14.8 | 15.0 | 16.0 | 15.4 | 13.3 | 15.6 | 12.5 | 11.9 |
| Health | 6.5 | 6.8 | 6.2 | 6.8 | 5.8 | 4.0 | 16.2 | 11.0 | 7.4 | 4.7 | 6.7 |
| Sanitation | 10.6 | 9.5 | 11.2 | 11.3 | 9.7 | 4.0 | 25.6 | 15.3 | 21.1 | 8.7 | 9.2 |
| Taxes | 5.4 | 6.6 | 4.5 | 5.5 | 5.0 | 12.0 | 7.7 | 4.9 | 3.1 | 3.6 | 7.3 |
| Personal safety | 18.4 | 26.0 | 18.3 | 13.4 | 13.3 | 4.0 | 14.5 | 15.6 | 18.8 | 14.9 | 22.1 |
| Education | 9.4 | 7.5 | 7.1 | 11.7 | 16.1 | 16.0 | 16.2 | 11.0 | 6.3 | 9.4 | 9.1 |
| Drought or flood | 5.5 | 5.0 | 4.7 | 6.5 | 6.9 | 0.0 | 4.3 | 14.9 | 2.0 | 3.4 | 6.4 |
| Other | 4.6 | 4.3 | 4.8 | 4.6 | 4.4 | 4.0 | 6.8 | 4.2 | 4.7 | 4.3 | 4.7 |
| No answer | 2.8 | 3.5 | 2.3 | 2.9 | 2.2 | 0.0 | 3.4 | 1.9 | 1.2 | 3.0 | 2.8 |

How will you get to work
in 1982?

| | Total | CLASSES | | | | | Regions | | | | |
|-------------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Car | 33.6 | 57.8 | 36.0 | 17.3 | 7.8 | 4.0 | 38.5 | 37.0 | 36.3 | 30.1 | 35.5 |
| Public transit | 21.3 | 8.6 | 19.0 | 29.6 | 39.7 | 32.0 | 17.9 | 22.1 | 18.4 | 16.6 | 25.9 |
| Car plus public transit | 8.9 | 10.0 | 10.1 | 7.6 | 4.7 | 0.0 | 12.0 | 10.1 | 9.4 | 8.7 | 8.6 |
| Car pool | 2.3 | 2.6 | 2.5 | 1.7 | 2.8 | 0.0 | 0.9 | 2.3 | 2.3 | 2.5 | 2.2 |
| Motorcycle | 4.8 | 3.0 | 5.2 | 6.3 | 4.2 | 0.0 | 4.3 | 4.5 | 4.7 | 5.2 | 4.6 |
| On foot | 19.4 | 10.2 | 17.7 | 26.3 | 27.8 | 60.0 | 17.1 | 14.3 | 16.8 | 26.8 | 14.0 |
| Bicycle | 1.8 | 0.2 | 1.1 | 3.3 | 4.4 | 4.0 | 1.7 | 1.3 | 3.1 | 2.6 | 1.0 |
| Other | 5.8 | 5.6 | 6.3 | 5.2 | 6.9 | 0.0 | 6.0 | 5.5 | 7.8 | 5.6 | 5.8 |
| No answer | 2.2 | 2.0 | 2.0 | 2.6 | 1.7 | 0.0 | 1.7 | 2.9 | 1.2 | 2.0 | 2.4 |

Key:

1. North 2. Northeast 3. Center-West 4. South 5. Southeast

Geographically, unemployment and the cost of living are also practically neck to neck. The differences are that for Brazilians in the North, the Center-West, and the South, the cost of living is a greater worry than unemployment, while in the Northeast and Southeast, it is the opposite: Brazilians there are concerned mainly with unemployment and then with the cost of living.

And here a comment is called for: the greatest worry in 1981--as indicated by the VISA0 survey--was personal safety, but this year safety takes third place in the concerns of Classes A and B, fourth place in the case of Class C, and fifth place as far as Class D is concerned.

What does this mean? That Brazilians--especially the poorest of them--have made some sort of adjustment to the situation? Have they now become accustomed to violence and the lack of safety? Or is the rampant rise in the cost of living and unemployment so alarming that safety has become less important?

Brazilians are also concerned about other things: housing (in fourth place for Classes B and D, in fifth place for Class A, and in third place for Class C), sanitation (in fifth place for Class B and in sixth place for Classes A, C, and D), education (in fifth place for Class C and in third place for Class D), and traffic (in fourth place among the concerns of Class A). And here it is important to note that while Class A considers traffic an important factor, that issue seems to be much more remote in the concerns of the other classes.

But traffic makes one think of transportation. How do Brazilians move about within the country? On this point, something special stands out: many Brazilians are walking. And while there used to be a consensus that rich people are not pedestrians, we can be sure that such is no longer the case. It is clear that the car is still the favorite form of transportation for Classes A and B, followed by a combination of car and public transportation. In third place is walking. In Classes C and D, walking is in second place. By region, it turns out that people in the Center-West and the South walk more than they take public transportation and that Brazilians in the North, Northeast, and Southeast prefer public transportation. In all regions, the car is given first place in the survey.

In view of that, it must be asked: is walking becoming the fashion as a result of indications by doctors and sports enthusiasts that walking is good for one's health? Or is it happening because of an awareness that it is necessary to conserve fuel? To anyone who knows that the Brazilian is so self-indulgent that he will drive to the corner to buy cigarettes, this is a finding that gives one something to think about: could the situation be changing?

But it is in the proposals for reducing violence in the country that we find unanimity: Brazilians in all classes and all regions say that the best solution for eliminating violence would be to provide more jobs. Many also suggested increasing the number of police officers as a solution. But it was the item "other" (as a percentage of the responses in Classes B, C, and D and in the Northeast, Center-West, and South Regions) that turned up the greatest abundance of solutions in the form of individual answers. There was even a pronounced, wholesome, and clearheaded tendency by VISA0's readers to express

How would you try to reduce urban violence?

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 20.9 | 27.4 | 21.6 | 17.0 | 12.8 | 12.0 | 23.9 | 20.1 | 21.5 | 17.4 | 24.0 |
| (7) | 15.7 | 17.4 | 16.2 | 13.4 | 16.1 | 16.0 | 13.7 | 10.7 | 14.5 | 15.4 | 17.0 |
| (8) | 50.6 | 47.9 | 49.9 | 54.1 | 48.3 | 64.0 | 53.0 | 56.5 | 52.3 | 52.3 | 47.8 |
| (9) | 23.4 | 22.5 | 22.8 | 22.6 | 31.1 | 36.0 | 22.2 | 22.4 | 23.4 | 24.2 | 23.0 |
| (10) | 3.2 | 3.0 | 3.1 | 3.4 | 3.6 | 0.0 | 4.3 | 3.6 | 2.0 | 2.8 | 3.6 |

Key:

- | | |
|---|---|
| 1. North | 7. Death penalty for attempts on human life |
| 2. Northeast | 8. Create more jobs by accelerating development |
| 3. Center-West | 9. Other |
| 4. South | 10. No answer |
| 5. Southeast | |
| 6. More police on the street (conspicuous police patrols) | |

How would you try to solve the pollution problem in big cities?

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 18.5 | 15.4 | 17.2 | 20.5 | 26.7 | 16.0 | 17.1 | 17.2 | 14.1 | 19.1 | 18.9 |
| (7) | 2.5 | 2.6 | 2.9 | 2.4 | 1.1 | 4.0 | 1.7 | 2.6 | 3.5 | 2.2 | 2.7 |
| (8) | 1.4 | 1.4 | 1.3 | 1.4 | 1.4 | 0.0 | 0.9 | 1.6 | 0.8 | 1.5 | 1.3 |
| (9) | 69.2 | 71.7 | 70.4 | 67.5 | 62.2 | 72.0 | 69.2 | 70.8 | 74.6 | 70.8 | 66.7 |
| (10) | 6.1 | 6.4 | 5.8 | 6.2 | 5.8 | 4.0 | 11.1 | 5.8 | 5.5 | 4.5 | 7.3 |
| (11) | 2.4 | 2.6 | 2.4 | 2.0 | 2.8 | 4.0 | 0.0 | 1.9 | 1.6 | 1.9 | 3.1 |

Key:

- | | |
|---|---|
| 1. North | 7. Set up industrial zones |
| 2. Northeast | 8. Close down polluting firms |
| 3. Center-West | 9. Set up industrial zones and force firms to install antipollution equipment |
| 4. South | 10. Other |
| 5. Southeast | 11. No answer |
| 6. Force firms to install anti-pollution equipment (with stiff fines for violators) | |

themselves in a way that went right to the heart of the matter. For many of them, "investing in education" would be the best way to eliminate violence. And even when a reader's answer is not entirely precise or clear, one gets the feeling that in one way or another, he has an intuitive grasp of the truth. Answers such as "educate the police and the people," "compulsory schooling for everyone," "more openings in the school system," "raise the cultural level of the police and educate the people," "greater opportunities for education," "educate and evangelize," "force families to put their children in school," and "invest in the child" demonstrate the clearheadedness of VISAQ's readers.

Concerning the extremely serious problem of social welfare, an absolute majority of our readers in all classes and all regions feels that "improving the morality of the services" is what could resolve the crisis. And representatives of Class A (20.3 percent) and Class B (17.9 percent) feel that putting it in private hands is the solution.

On that point in the survey, VISAQ's readers showed their interest in the matter and their sometimes passionate commitment by suggesting frequently original solutions. Their responses ranged in tone from one of seriousness to one of thorough irritation. But what they showed more than anything else was an undeniable willingness to participate and to see the controversial issue of social welfare resolved once and for all.

Some of the individual answers noted under "other" were as follows: "fire people in social welfare administrative positions," "partial privatization of the system in parcels," "jail those who steal from the INPS [National Social Security Institute]," "do away with the fiefdoms," "reduce the bureaucracy in the system and change managers," "eliminate the Pharaoh-like buildings in social welfare," "make social welfare private and optional so that only those who want to will participate," "rationalize and raise the moral standard," "hire more competent people," "eliminate the contracts and privatize the system," "clean up social welfare and correct the poor use of funds," "privatize social welfare, but not medical care," "separate the institutes by trade or profession," "eliminate embezzlement," "decentralize power," "discover errors and analyze mistakes," "reduce unnecessary spending on personnel and on unnecessary treatment and surgery," "make social welfare 50-percent private," "collect social welfare debts," "legalize gambling and use the proceeds for social welfare," "establish a system of free choice," "reduce expenses, eliminate corruption and political appointments, and separate social welfare from party politics," "use social welfare funds for medical care instead of hydroelectric projects," "reorganize the whole thing from scratch," "inculcate more responsible management," "de-regulate it and leave the choice up to each individual, as is done with pension funds in the United States," and "give private enterprise a chance."

The survey made it clear that Brazilians are thoroughly dissatisfied with the social welfare offered by the system. And they also showed great concern about the matter. It was on this subject that our readers responded most massively with individual answers and solutions.

Something else was demonstrated in connection with social welfare, and it is not surprising, incidentally: because of its lack of confidence in the system

Brazil's social welfare system is in crisis. What steps should be taken to solve the problem?

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 55.3 | 59.1 | 56.3 | 53.9 | 43.6 | 56.0 | 60.7 | 66.2 | 57.8 | 50.8 | 56.8 |
| (7) | 18.0 | 20.3 | 17.9 | 16.8 | 15.6 | 12.0 | 16.2 | 14.3 | 15.2 | 17.1 | 19.8 |
| (8) | 8.9 | 10.5 | 9.5 | 7.3 | 7.5 | 12.0 | 7.7 | 5.2 | 10.2 | 11.8 | 6.7 |
| (9) | 2.6 | 1.6 | 1.9 | 3.9 | 3.6 | 0.0 | 2.6 | 1.9 | 5.1 | 2.7 | 2.2 |
| (10) | 21.8 | 18.2 | 20.3 | 23.6 | 32.5 | 20.0 | 18.8 | 14.3 | 21.1 | 25.6 | 19.8 |
| (11) | 3.5 | 3.7 | 3.5 | 2.7 | 5.8 | 8.0 | 4.3 | 4.2 | 2.7 | 2.5 | 4.4 |

What type of medical service do you use?

| | Total | CLASSES | | | | | Regions | | | | |
|----------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| INPS (12) | 9.4 | 2.5 | 6.0 | 15.1 | 23.1 | 32.0 | 6.0 | 7.1 | 9.8 | 14.3 | 5.4 |
| Contracts | 13.7 | 9.7 | 12.5 | 17.1 | 19.4 | 8.0 | 6.0 | 17.5 | 11.3 | 9.1 | 18.2 |
| Private | 15.2 | 24.3 | 15.1 | 9.0 | 9.2 | 12.0 | 26.5 | 16.6 | 18.8 | 11.5 | 17.1 |
| INPS and private | 29.0 | 23.1 | 30.7 | 32.8 | 27.2 | 24.0 | 34.2 | 24.4 | 31.3 | 37.3 | 21.7 |
| Contract and private | 23.3 | 32.2 | 26.0 | 16.2 | 10.8 | 12.0 | 19.7 | 26.6 | 18.8 | 17.6 | 28.9 |
| Other | 6.3 | 5.2 | 6.5 | 7.2 | 6.1 | 8.0 | 5.1 | 5.2 | 6.6 | 7.3 | 5.7 |
| No answer | 3.0 | 3.1 | 3.1 | 2.5 | 4.2 | 4.0 | 2.6 | 2.6 | 3.5 | 2.9 | 3.2 |

Key:

1. North
2. Northeast
3. Center-West
4. South
5. Southeast
6. Improve the moral standards of the service
7. Privatize the system
8. Partial payment for medical care
9. Increase the welfare contribution
10. Other
11. No answer
12. INPS = National Social Security Institute

and precisely because of its greater purchasing power, Class A uses social welfare the least, preferring private care or a combination of private care and the contracts or of private care and the INPS. Almost the same thing happens in Class B. And even Classes C and D, which use the INPS most, do not hesitate to turn to private medical care, although on a quite small scale.

In another connection, Brazilians also know how the pollution problem in the big cities can be solved. The press has been very persistent in debating the pollution issue. The government itself has promoted drives for the protection of the environment. Increased awareness has been slow but growing.

That being the case, VISAQ's readers are almost unanimous: between 62.2 and 72 percent of them would resolve the issue by setting aside industrial zones and requiring firms to install antipollution equipment.

And in the individual responses, once again, there were interesting suggestions: "stiff fines for violators," "no operating license would be issued unless there were protection against pollution," "amend the relevant legislation to provide stiffer fines," "better inspection," "adapt projects for new firms to include the cost of antipollution equipment," and "strict inspection to prevent industrial waste from being dumped into rivers."

VISAQ's readers are therefore alert to all the problems affecting the country. They are well informed and capable of discussing matters troubling Brazil and Brazilians. Incidentally, this survey turns out to have reinforced what we have been saying: generally speaking, VISAQ's readers are well informed and fully aware of the main problems confronting the country.

VISAQ's reader is a man prepared to face the Brazil of 1982. And to help the country reach 1983 in good shape.

Science and Technology: Firm Opinions on Vital Topics

A group of people with unwavering opinions concerning national problems and who are not deceived by the new touches that may alter the most important issues facing the country from one year to the next. That is how we could describe VISAQ's readers on the basis of their answers to the questions put to them in the Brazil-82 survey's section on science and technology. In other words, they are still dissatisfied with the quality of medical and hospital service provided by the government system of hospitals and outpatient clinics, mainly that intended for the classes with the lowest incomes--but they note the improvements made in this or that region. They have the idea that scientific and technological independence can be achieved through a better use of investments and with support for endogenous research efforts. They regard the environmental issue as important, but at the same time, they say that it has been poorly presented. They feel that the question of the birth rate is important from the standpoint of achieving harmonious development, but they say that birth control is a question that should be left as much as possible in the family's hands. And in a demonstration of great maturity, they consider the field of nuclear energy important to Brazil, but they express reservations as to the nuclear program being carried out by Brazil.

Scientific and technological development in Brazil is influenced chiefly by:

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 27.5 | 32.4 | 29.5 | 23.3 | 20.6 | 8.0 | 30.8 | 28.9 | 23.4 | 27.7 | 27.5 |
| (7) | 37.4 | 29.2 | 35.4 | 43.8 | 48.3 | 48.0 | 42.7 | 41.2 | 43.4 | 36.5 | 36.5 |
| (8) | 22.2 | 27.6 | 22.6 | 17.9 | 18.6 | 32.0 | 15.4 | 19.2 | 16.0 | 23.5 | 22.9 |
| (9) | 12.5 | 10.8 | 12.8 | 14.0 | 11.4 | 12.0 | 11.1 | 11.0 | 16.8 | 12.0 | 12.8 |
| (10) | 3.9 | 4.6 | 3.1 | 4.1 | 4.4 | 0.0 | 2.6 | 3.2 | 4.7 | 3.7 | 4.2 |

Investment in research in Brazil should be applied primarily to:

| | Total | CLASSES | | | | | Regions | | | | |
|-------------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Basic research | 3.8 | 2.4 | 3.9 | 4.4 | 5.8 | 4.0 | 3.4 | 3.2 | 3.1 | 5.1 | 2.9 |
| Applied research | 26.6 | 31.1 | 27.4 | 22.9 | 23.3 | 20.0 | 30.8 | 25.0 | 28.5 | 25.7 | 27.2 |
| Divided between the two | 66.8 | 63.6 | 66.6 | 69.7 | 66.9 | 68.0 | 64.1 | 69.5 | 64.1 | 66.1 | 67.5 |
| No answer | 2.8 | 2.9 | 2.1 | 3.0 | 3.9 | 8.0 | 1.7 | 2.3 | 4.3 | 3.1 | 2.4 |

Government support for scientific research in Brazil is:

| | Total | CLASSES | | | | | Regions | | | | |
|-------------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Adequate | 2.6 | 2.8 | 2.3 | 2.8 | 2.2 | 12.0 | 3.4 | 3.9 | 3.5 | 2.7 | 2.2 |
| Inadequate | 81.2 | 84.8 | 82.3 | 78.3 | 77.8 | 56.0 | 80.3 | 81.2 | 78.5 | 79.1 | 83.6 |
| I know nothing about it | 13.4 | 9.1 | 12.9 | 16.1 | 18.1 | 24.0 | 15.4 | 13.6 | 14.8 | 15.0 | 11.5 |
| No answer | 2.8 | 3.3 | 2.6 | 2.8 | 1.9 | 8.0 | 0.9 | 1.3 | 3.1 | 3.2 | 2.7 |

To develop national technology and simultaneously reduce the country's dependence in that sector, priority should go to:

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (11) | 61.5 | 50.7 | 62.2 | 66.9 | 72.2 | 68.0 | 65.8 | 66.9 | 60.5 | 64.6 | 57.7 |
| (12) | 25.1 | 35.1 | 24.3 | 20.6 | 14.2 | 20.0 | 22.2 | 23.1 | 24.2 | 22.7 | 28.0 |
| (9) | 9.9 | 10.5 | 10.0 | 9.2 | 10.3 | 4.0 | 8.5 | 8.4 | 10.5 | 9.3 | 10.6 |
| (10) | 3.5 | 3.8 | 3.4 | 3.3 | 3.3 | 8.0 | 3.4 | 1.6 | 4.7 | 3.4 | 3.8 |

Key:

- | | | |
|----------------|---|---|
| 1. North | 6. Technocrats | 10. No answer |
| 2. Northeast | 7. Universities and research institutes | 11. Creation of national technology |
| 3. Center-West | 8. Businessmen | 12. Importing foreign technology and training people to absorb it |
| 4. South | 9. Other | |
| 5. Southeast | | |

Scientific Issue--Who exerts the most influence on the development of science and technology in this country? As was true last year, when the majority (33.4 percent) expressed the same opinion, the majority this year also believes that the universities and research institutes enjoy the most influence in this area. That opinion is held chiefly by the classes with the lower incomes, but it also gained ground this year in Classes A and B, which see major influence by the universities in the management of our policy on science and technology.

Those who think the policy is influenced by the technocrats came in second (at over 27 percent), as they did last year, but they now number slightly fewer than last year, when the figure was over 30 percent. And again as in 1981, the percentage of those holding that opinion declines as their position on the social scale drops. Those who feel that the policy is most influenced by businessmen are still in third place, but there has been a significant shift between classes among those holding that opinion: last year, most of them were in Class A (32.7 percent), but this year they are concentrated in Class E (32 percent). The number of those believing in the influence of other factors rose from just over 10 percent last year to 12.5 percent this year. More people answered this question this time, with the result that those falling into the "no answer" column dropped from 4.6 to 3.9 percent. The highest concentration of those who did not answer is in Class A, while in 1981 they were concentrated in Class D. Most of those feeling that the technological policy is most influenced by the universities live in the Center-West Region (followed by those in the North and Northeast). Those believing that businessmen exercise the most influence live in the South Region, followed by those in the Southeast.

When asked what kind of research should receive the largest share of the funds allocated to this sector, those who assigned priority to basic research were fewer in number than last year. The great majority of those polled still feel that the investments should be divided between basic and applied research (60.2 percent last year, compared to 66.8 percent this year), and all classes share that opinion. The votes in favor of applied research are still in second place, although down by 6 points in comparison with 1981. The number of those not answering this question was down from last year, and the largest number of no responses was in Class E. Opinion in favor of dividing the funds between basic and applied research comes mainly from the Northeast, Southeast, and South Regions, in that order.

Concerning the question asking for opinions on government support for research in Brazil, it happens that those who say they know nothing about the matter are mostly in the North Region, while the majority last year was in the South. The impression that government support is inadequate is spread very evenly throughout the country. The idea that support is adequate is still rare--those thinking so number less than 4 percent in all regions, as they did last year. The vast majority of those polled continue to feel that government support for research is inadequate, and that opinion is held chiefly in Classes A and B. Those who say they know nothing about the matter are in second place at 13.4 percent. And only a minute group feels that support is adequate: the average overall figure in this case is 2.6 percent, although 12 percent of those in Class E consider it adequate.

The Basic Scientific and Technological Development Plan (PBDCT) is a document that you:

| | | | | | | | (1) | (2) | (3) | (4) | (5) |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | CLASSES | | | | | Regions | | | | |
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 0.7 | 1.1 | 0.6 | 0.5 | 0.3 | 4.0 | 2.6 | 0.6 | 1.6 | 0.7 | 0.5 |
| (7) | 48.5 | 43.8 | 48.8 | 50.8 | 53.3 | 44.0 | 47.9 | 46.4 | 53.9 | 50.9 | 45.9 |
| (8) | 7.5 | 9.2 | 7.9 | 5.4 | 7.8 | 8.0 | 9.4 | 7.8 | 9.8 | 7.2 | 7.2 |
| (9) | 42.5 | 45.0 | 41.8 | 42.5 | 37.8 | 40.0 | 39.3 | 43.8 | 33.6 | 40.2 | 45.7 |
| (10) | 0.9 | 0.9 | 1.0 | 0.7 | 0.8 | 4.0 | 0.9 | 1.3 | 1.2 | 1.0 | 0.7 |

The biggest obstacle to the advance of scientific and technological research in Brazil is:

| | | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (11) | 9.2 | 12.7 | 8.9 | 6.9 | 7.5 | 16.0 | 13.7 | 9.7 | 10.5 | 8.4 | 9.4 |
| (12) | 33.1 | 35.5 | 34.8 | 29.7 | 30.3 | 28.0 | 35.0 | 32.5 | 37.5 | 31.0 | 34.3 |
| (13) | 40.5 | 38.3 | 40.4 | 42.2 | 41.4 | 48.0 | 35.0 | 40.3 | 39.5 | 40.7 | 40.9 |
| (14) | 31.9 | 27.5 | 32.6 | 34.0 | 35.3 | 24.0 | 36.8 | 33.4 | 31.6 | 35.8 | 27.7 |
| (15) | 7.0 | 8.2 | 6.5 | 6.5 | 7.5 | 4.0 | 6.8 | 6.8 | 5.9 | 6.8 | 7.4 |
| (10) | 3.7 | 4.3 | 3.3 | 4.2 | 2.5 | 4.0 | 1.7 | 4.2 | 4.7 | 3.6 | 3.8 |

Key:

- | | |
|---------------------------------|---|
| 1. North | 11. The attitude of our researchers, who are concerned with science unrelated to Brazilian conditions |
| 2. Northeast | 12. The lack of funds |
| 3. Center-West | 13. Selfishness on the part of private and state enterprise |
| 4. South | 14. The policy of multinational firms, which bring everything readymade from the home office |
| 5. Southeast | 15. Other |
| 6. Are very familiar with | |
| 7. Know about but have not read | |
| 8. Have read | |
| 9. Did not even know existed | |
| 10. No answer | |

Environmental Issue--On being asked what should be done to develop a national technology in this country while also reducing the country's dependence in that area, most of those polled (61.5 percent) said that that objective would be achieved only by dint of a national effort at technological invention--and that opinion is shared by all classes and all regions. The idea that imported technology can provide a path to self-sufficiency is supported by 25.1 percent of the readers polled in this survey. A few--between 8 and 11 percent--feel that the goal can be achieved by other means, and only 3.5 percent--compared to 5.1 percent last year--failed to answer the question.

But when asked how much they knew about the Basic Scientific and Technological Development Plan (PBDCT), over 42 percent said they did not even know the document existed, while over 48 percent knew about it but had not read it. And that response comes from all regions, although it might be expected that the document prepared by the CNPq [National Scientific and Technological Development Council] and the Planning Secretariat of the Presidency would be more familiar to people living in the South and Southeast Regions, where most of the research centers and universities are located. It is not news that only a very small group (0.7 percent) says it is well acquainted with that specialized document.

What is the biggest obstacle to the advance of scientific and technological research in Brazil? More than one-third of those polled feel that science is not moving ahead in this country mainly because of a lack of funds available for that purpose, but a similar percentage sees the biggest obstacle in the policy pursued by the multinational companies--that is, in the habit foreign companies have of importing from abroad the technology used for products sold here or even of giving the home office credit for technologies developed in Brazil. The only thing is that while the majority of those blaming the problem on a lack of capital are in Class A and live in the North and Center-West, those choosing the "policy of the multinational companies" as the reason are concentrated in Classes C and B, with most of them living in the North and South Regions. Since most of our readers checked off more than one reason for the obstruction of scientific development in Brazil, the item "selfishness of the private and Brazilian state sector"--which prefers in most cases to buy "packages" rather than develop its own technology--wound up with the largest share of the answers: 40.5 percent. And only a minority attributes the low level of scientific-technological development in Brazil to the attitude of our researchers or to other causes. Incidentally, that observation was also made last year, when VISAQ conducted its first survey.

Although linearity is the chief characteristic of the responses obtained--whether we compare them by class and region or with last year--the same is not true when our readers are questioned about the problem of protecting the environment in Brazil. It is on that point that the greatest difference in opinion is noted in comparison with the 1981 survey. Last year, over 90 percent of those polled considered it a priority problem, compared to only 29.4 percent this year. As a consequence, the number of "no answers" increased considerably--up from 1.8 percent in 1981 to 61.5 percent this year. Those not considering it a priority issue rose from 7.8 percent last year to 9.1 percent this year, but the most important thing to be noted is perhaps the fact

The issue of environmental protection
in Brazil:

| | | (1) | (2) | (3) | (4) | (5) | | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | CLASSES | | | | | Regions | | | | |
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 9.1 | 9.7 | 9.1 | 8.2 | 10.6 | 12.0 | 6.0 | 9.7 | 13.3 | 9.2 | 8.5 |
| (7) | 45.7 | 48.2 | 44.8 | 44.6 | 45.6 | 48.0 | 47.9 | 39.6 | 41.0 | 47.3 | 45.7 |
| (8) | 45.2 | 42.2 | 46.1 | 47.2 | 43.9 | 40.0 | 46.2 | 50.6 | 45.7 | 43.5 | 45.8 |
| (9) | 38.0 | 36.8 | 39.1 | 38.3 | 36.4 | 36.0 | 41.9 | 42.9 | 31.6 | 36.6 | 39.1 |
| (10) | 17.9 | 20.3 | 18.1 | 16.9 | 13.1 | 24.0 | 13.7 | 14.3 | 19.1 | 19.3 | 17.4 |
| (8) | 44.0 | 43.0 | 42.7 | 44.8 | 50.6 | 40.0 | 44.4 | 42.9 | 49.2 | 44.1 | 43.5 |
| (11) | 9.1 | 12.0 | 9.5 | 6.9 | 6.7 | 0.0 | 6.8 | 10.7 | 12.9 | 7.8 | 9.6 |
| (12) | 29.4 | 31.5 | 27.7 | 30.4 | 25.8 | 36.0 | 29.1 | 20.8 | 30.9 | 31.4 | 28.8 |
| (8) | 61.5 | 56.5 | 62.8 | 62.7 | 67.5 | 64.0 | 64.1 | 68.5 | 56.3 | 60.8 | 61.6 |

Key:

- | | |
|----------------------------------|--|
| 1. North | 9. The authorities are not concerned about the problem |
| 2. Northeast | 10. The authorities are concerned about the problem |
| 3. Center-West | 11. No need to present it because it is not a priority problem |
| 4. South | 12. It needs to be presented because it is a priority problem |
| 5. Southeast | |
| 6. Is being presented adequately | |
| 7. Is being poorly presented | |
| 8. No answer | |

The system of medical and hospital
care in Brazil:

| | | CLASSES | | | | | Regions | | | | |
|---------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Is satisfactory | 8.9 | 7.8 | 9.4 | 9.3 | 8.6 | 20.0 | 3.4 | 5.5 | 8.2 | 11.1 | 7.9 |
| Is not satisfactory | 78.7 | 79.9 | 77.9 | 77.9 | 81.4 | 76.0 | 85.5 | 80.5 | 80.1 | 75.8 | 80.4 |
| Other | 6.6 | 6.2 | 7.2 | 6.3 | 6.1 | 4.0 | 6.0 | 5.2 | 5.5 | 7.4 | 6.3 |
| No answer | 5.8 | 6.1 | 5.5 | 6.5 | 3.9 | 0.0 | 5.1 | 8.8 | 6.3 | 5.7 | 5.4 |

that those who consider the environmental issue a priority are distributed throughout all regions and social classes, while those who think it is not a priority are concentrated in Classes A and B. But when it is asked whether the issue is being well presented by those discussing it, the item "no answer" falls to 45.2 percent, with the majority saying that the problem is being poorly presented. And although nearly 30 percent of those polled say that the environmental problem is a priority, only 9.1 percent feel that it is being adequately presented. The number of "no answers" also rises in response to the question as to whether the authorities are concerned about the matter. In this case, 44 percent do not answer, 38 percent say that the government is not concerned, and only 17.9 percent feel that the authorities are concerned about the matter.

Health--What do Brazilians think about the country's system of medical and hospital care? Last year, 84 percent of those polled felt that service was unsatisfactory, while this year only 78.7 percent feel that way. This means that the number of those considering the service satisfactory has practically doubled: 8.9 percent, compared to 4.6 percent last year. The number of those not answering also fell this year, so the percentage of those giving another answer rose to 6.6 percent, compared to 4.2 percent last year.

As was to be expected, the impression that medical services provided by the public system are not satisfactory is spread equally throughout all the regions, while the opinion that they are satisfactory is concentrated in the more developed regions: South, Southeast, and Center-West, in that order, and that is certainly where the best equipped facilities are located and where the organization is better. It is significant that most of those considering this type of service unsatisfactory are concentrated in Classes D and E. As was noted last year, the question of health and of the way in which it is handled by government outpatient clinics and hospitals is the topic to which the population is most sensitive and on which it is most willing to express an opinion. So when our survey asked for individual comments on each of the questions on the form, the result was a number of viewpoints going beyond those suggested in the questions themselves. Concerning medical services, however, those polled responded massively: over 30 sheets of paper were filled with opinions sent in by the readers concerning government medical services and ideas for improving them. For example, some said that the services have been improving, "seeing that the Brazilian lifespan is increasing"--a fact noted by VISA0 in a cover story (5 April 1982). Others feel that "despite the shortcomings, the service does take care of those with the lowest incomes, and that is the important thing." They also draw attention to the hard realities, such as uninterested doctors, excessive bureaucracy, and a lack of concern for human life.

The penchant for making comments--also noted in answers to the questions on the technological issue--suddenly disappears when the attempt is made to obtain a range of opinion on birth control. On the question of whether family planning should be introduced in Brazil in some form or another, it can be said that the response this year is exactly the same as last year: in 1981, over 88 percent said yes, and this year 89.9 percent expressed the same opinion. Again like last year, that opinion is distributed almost evenly in all regions and social classes. Those polled limited themselves, however, to checking off one of the

Is family planning necessary to the proper development of Brazil?

| | | (1) | (2) | (3) | (4) | (5) | | | | | |
|-----------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | CLASSES | | | | | Regions | | | | |
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Yes | 89.9 | 89.1 | 89.8 | 90.0 | 91.7 | 96.0 | 94.0 | 87.7 | 85.5 | 91.4 | 89.2 |
| No | 8.0 | 8.9 | 7.7 | 8.2 | 6.9 | 4.0 | 6.0 | 10.1 | 10.5 | 7.0 | 8.5 |
| No answer | 2.1 | 2.0 | 2.6 | 1.8 | 1.4 | 0.0 | 0.0 | 2.3 | 3.9 | 1.6 | 2.3 |

In your opinion, the program to establish nuclear energy in Brazil is:

| | | (1) | (2) | (3) | (4) | (5) | | | | | |
|--------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | CLASSES | | | | | Regions | | | | |
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Very important | 15.9 | 15.7 | 16.2 | 15.6 | 16.4 | 20.0 | 20.5 | 13.0 | 22.3 | 16.3 | 14.9 |
| Not very important | 30.2 | 34.5 | 29.2 | 28.5 | 28.1 | 20.0 | 21.4 | 33.8 | 28.9 | 29.2 | 31.3 |
| Unimportant | 10.9 | 10.0 | 11.4 | 11.3 | 10.3 | 16.0 | 9.4 | 7.8 | 8.2 | 12.1 | 10.9 |
| No answer | 42.9 | 39.8 | 43.3 | 44.7 | 45.3 | 44.0 | 48.7 | 45.5 | 40.6 | 42.4 | 43.0 |
| Necessary | 35.7 | 38.7 | 35.5 | 33.3 | 35.6 | 32.0 | 43.6 | 34.4 | 40.6 | 35.4 | 34.9 |
| Unnecessary | 38.4 | 38.4 | 38.7 | 39.0 | 35.8 | 28.0 | 35.9 | 34.1 | 31.6 | 41.0 | 37.8 |
| No answer | 25.9 | 22.9 | 25.9 | 27.6 | 28.6 | 40.0 | 20.5 | 31.5 | 27.7 | 23.6 | 27.2 |

Key:

1. North 2. Northeast 3. Center-West 4. South 5. Southeast

alternatives listed on the questionnaire. They did not add a significant number of ideas and opinions of their own concerning the propriety of the matter or the good or poor presentation of the issue in Brazilian society, and neither did they suggest ways of dealing with the problem of overpopulation other than through birth control. As was true last year, few people feel that family planning is unnecessary. And the number who did not answer the question was insignificant: 2.1 percent this year, compared to 1.4 percent last year.

Nuclear Energy Necessary--The biggest surprise was reserved for the last question, which queried our readers about an issue that is currently being much discussed by the media, although rarely with the calmness required by the subject. Our readers were asked whether, in their opinion, the program for building nuclear powerplants and using nuclear energy in Brazil was very important, not very important, unimportant, necessary, or unnecessary. Of all the questions asked in the field of science and technology, this is without a doubt the one yielding the most balanced range of answers in this survey. The question was formulated differently than last year (when 25.9 percent said they favored suspension of the nuclear program, 71.1 percent wanted it to continue, and 3 percent abstained). This year, on being asked whether the program is important, over 40 percent did not answer, over 30 percent said it was not very important, over 15 percent felt that it was very important, and nearly 11 percent said it was unimportant. Moreover, opinions were well distributed among all classes and regions in the country. On being asked whether the nuclear program is necessary to the country, only 35.7 percent of our readers said yes, over 38 percent said no, and 25.9 percent did not answer the question.

Culture: Serious Crisis of Confidence

The sector of education and culture under Joao Figueiredo's administration has been described mainly as a voracious devourer of scarce budget resources. It is now under its second minister, Gen Rubem Ludwig, who succeeded Prof Eduardo Portella, who himself succeeded Ney Braga, the current governor of Parana and a minister under Geisel.

The present administration of the Ministry of Education and Culture [MEC] has been characterized by two different areas of interest: priority for primary education in the field of education proper and feverish activity aimed at administrative reform in the MEC itself--considered the most complex of all the ministries. It was chiefly during Portella's term of office that the realities in that sector were made evident: a lack of money, the MEC's almost total dependence on the Planning Secretariat of the Presidency (where the structure of the anti-inflation policy is controlled), and the interdependence of problems in education that make the educational system an unsolvable charade. Formerly--in the bygone days of the 1960's--the problem was one of quantity--that is, of adapting the limited system to the huge demand. At the end of the 1970's, the question of quantity having been partly resolved, the emerging problem was that of quality. In a system based on a pragmatic hypothesis--education to insure development--that challenge posed a practical problem concerning the vocational training of students. In the final analysis, what good are graduates whose training is deficient?

The country's educational sector needs:

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|-----|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 56.4 | 55.2 | 55.8 | 56.9 | 60.6 | 56.0 | 58.1 | 63.0 | 52.0 | 54.6 | 57.4 |
| (7) | 39.4 | 40.2 | 40.4 | 38.6 | 35.8 | 40.0 | 37.6 | 33.8 | 44.5 | 41.4 | 38.0 |
| (8) | 0.5 | 0.4 | 0.6 | 0.4 | 1.4 | 0.0 | 1.7 | 0.0 | 0.0 | 0.6 | 0.5 |
| (9) | 3.6 | 4.3 | 3.1 | 4.1 | 2.2 | 4.0 | 2.6 | 3.2 | 3.5 | 3.3 | 4.1 |

Which educational level should receive the most attention?

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (10) | 7.6 | 9.0 | 7.7 | 6.6 | 6.1 | 4.0 | 9.4 | 10.4 | 7.0 | 6.5 | 8.0 |
| (11) | 23.5 | 27.0 | 24.3 | 22.0 | 15.0 | 20.0 | 29.9 | 25.0 | 24.6 | 21.5 | 24.6 |
| (12) | 12.5 | 11.3 | 12.0 | 13.9 | 13.3 | 16.0 | 10.3 | 14.3 | 11.3 | 13.4 | 11.7 |
| (13) | 19.6 | 24.7 | 19.9 | 16.0 | 16.1 | 8.0 | 12.8 | 23.7 | 20.7 | 19.4 | 19.4 |
| (14) | 9.6 | 9.8 | 9.4 | 9.8 | 8.9 | 12.0 | 5.1 | 10.1 | 9.0 | 9.6 | 9.9 |
| (15) | 1.5 | 1.4 | 1.5 | 1.6 | 1.9 | 0.0 | 0.9 | 1.3 | 1.6 | 1.5 | 1.7 |
| (16) | 52.9 | 46.2 | 50.8 | 58.1 | 64.2 | 52.0 | 53.8 | 51.3 | 48.0 | 55.1 | 51.7 |
| (9) | 3.0 | 3.4 | 2.8 | 2.4 | 4.2 | 4.0 | 1.7 | 1.9 | 4.3 | 3.2 | 2.8 |

Should the government dictate all rules and procedures regarding education in the schools?

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (17) | 27.8 | 29.2 | 26.7 | 27.9 | 27.2 | 28.0 | 37.6 | 32.1 | 31.3 | 23.7 | 29.6 |
| (18) | 51.1 | 48.9 | 52.4 | 51.3 | 52.5 | 40.0 | 43.6 | 49.0 | 48.0 | 56.0 | 47.9 |
| (19) | 17.1 | 18.6 | 16.4 | 16.7 | 16.4 | 20.0 | 15.4 | 14.3 | 15.6 | 17.2 | 17.7 |
| (9) | 4.1 | 3.3 | 4.5 | 4.1 | 3.9 | 12.0 | 3.4 | 4.5 | 5.1 | 3.0 | 4.8 |

Key:

- | | |
|--------------------------------------|---|
| 1. North | 11. First level |
| 2. Northeast | 12. Second level (preparatory) |
| 3. Center-West | 13. Second level (vocational) |
| 4. South | 14. University |
| 5. Southeast | 15. Postgraduate |
| 6. A total reform of education | 16. All equally |
| 7. Improvement of the current system | 17. Yes |
| 8. To be kept as it is now | 18. No |
| 9. No answer | 19. Yes, but only for the official system |
| 10. Preschool | |

The university should be:

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 25.0 | 18.2 | 24.9 | 29.9 | 28.9 | 36.0 | 22.2 | 25.6 | 25.4 | 26.1 | 24.1 |
| (7) | 35.1 | 33.3 | 33.7 | 38.6 | 35.3 | 24.0 | 34.2 | 31.8 | 37.5 | 36.5 | 34.1 |
| (8) | 20.5 | 28.3 | 22.6 | 13.6 | 12.8 | 8.0 | 28.2 | 21.8 | 16.4 | 17.3 | 23.3 |
| (9) | 16.3 | 16.9 | 15.9 | 14.9 | 20.0 | 28.0 | 14.5 | 18.2 | 16.8 | 17.3 | 15.1 |
| (10) | 3.0 | 3.2 | 2.9 | 3.1 | 3.1 | 4.0 | 0.9 | 2.6 | 3.9 | 2.8 | 3.4 |

Key:

1. North
2. Northeast
3. Center-West
4. South
5. Southeast
6. Open to all without an entrance examination
7. Open to all those who pass the entrance examination
8. Open only to those who pass stiffer tests than the entrance examination
9. Some other selection method should be used
10. No answer

Education in the state and federal universities should:

| | Total | CLASSES | | | | | Regions | | | | |
|------------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Require tuition | 20.5 | 32.0 | 22.4 | 12.2 | 7.5 | 0.0 | 18.8 | 20.1 | 26.2 | 20.3 | 20.0 |
| Be free | 53.2 | 41.2 | 51.4 | 62.3 | 64.4 | 72.0 | 64.1 | 60.4 | 53.1 | 50.7 | 53.7 |
| Adopt another solution | 22.2 | 22.8 | 22.4 | 21.2 | 22.5 | 24.0 | 14.5 | 15.3 | 18.4 | 24.8 | 21.9 |
| No answer | 4.1 | 4.1 | 3.7 | 4.2 | 5.6 | 4.0 | 2.6 | 4.2 | 2.3 | 4.3 | 4.3 |

The government--federal, state and local--and private firms sponsor cultural events in various sectors. Which of them should receive greater support?

| | Total | CLASSES | | | | | Regions | | | | |
|-----------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Theater | 23.5 | 21.0 | 23.7 | 24.7 | 26.1 | 24.0 | 23.1 | 24.0 | 21.1 | 23.9 | 23.4 |
| Movies | 12.3 | 9.7 | 12.3 | 14.2 | 13.9 | 4.0 | 12.8 | 13.3 | 14.1 | 11.3 | 12.7 |
| Dancing | 5.3 | 4.4 | 5.0 | 6.6 | 4.7 | 4.0 | 7.7 | 3.9 | 8.2 | 4.4 | 5.8 |
| Books | 60.1 | 62.8 | 60.3 | 58.0 | 58.6 | 56.0 | 59.0 | 60.1 | 59.0 | 61.3 | 59.2 |
| Visual arts | 9.6 | 9.7 | 8.4 | 10.9 | 9.4 | 16.0 | 12.8 | 9.4 | 9.0 | 9.5 | 9.6 |
| Popular music | 14.0 | 12.3 | 13.1 | 15.9 | 16.4 | 8.0 | 13.7 | 14.6 | 14.8 | 12.9 | 14.7 |
| Classical music | 9.7 | 13.7 | 8.8 | 8.8 | 4.2 | 4.0 | 12.0 | 9.4 | 10.9 | 9.3 | 9.8 |
| No answer | 6.8 | 7.1 | 7.2 | 6.0 | 6.9 | 12.0 | 6.8 | 9.4 | 8.6 | 5.3 | 7.6 |

In 1981, VISA0's readers had a radical answer to the problem: only 1 percent of them agreed that the educational system should be kept as it was, 67.5 percent demanded a total reform, and 26.7 percent seemed to hear and support the federal rulers advocating minor changes aimed at a gradual improvement of education. What about now? Has anything changed?

Casuistry Wins Out--Either because the authorities in the MEC are resisting the idea of a complete replanning of education or because VISA0's readers understand the magnitude and intricate nature of the problem, the latter seem more willing in 1982 to accept the proposed gradual improvement of the sector. There is greater dissatisfaction--only 0.5 percent would keep the educational system as it is, while 95.8 percent (those advocating total reform and those favoring gradual improvement) are aware that changes are necessary (compared to 94.2 percent last year). But 39.4 percent are now accepting what only 26.7 percent would agree to in 1981: improving the system by patching it up here and there. The surprise comes from Class D, which is supposedly the class most harmed by the way education is organized at present. It is the class that can attend public schools only at the first and second levels or attend supplementary primary courses because of the need to work, and as a consequence, it is inadequately prepared to apply for openings in higher public education, which is free and of better quality. But it is also the class most favorable to keeping the system as it is, although 1.4 percent is a ludicrous level of support.

It also seems that in its assignment of priorities to the various levels of education, the MEC has made itself heard: acknowledging the lack of effort in second-level vocational training, Minister Ludwig issued the word of command: "Everything for the first level"--the level, incidentally, which is not the MEC's responsibility except in federal territories; it is a municipal or state responsibility. Our readers also show more interest now in the first level: 19.5 percent considered it a priority last year, but the figure this year is 23.5 percent. What exists, however, is an awareness by our readers that all levels are equally important and need more attention (50.3 percent in 1981; 52.9 percent in 1982). In this instance, interest in the system as a whole rises as purchasing power decreases. This amounts to a reaffirmation that a complete revision is needed, even if the solutions and problems are tackled gradually. The problem, then, is one of who is going to do it.

Undermined Credibility--While VISA0's readers are more receptive to government statements concerning educational priorities and methods of change, they are no more convinced than they were last year that they ought to pay for education directly rather than solely through the traditional tax contribution. The percentages in favor of tuition for education and in favor of free education are practically the same in both 1981 and 1982. And attitudes are also nearly the same on the question of access to the university, with an increase in the number of those supporting an admission system more efficient than the entrance examination.

What seems to have decreased dramatically, however, is confidence in the government as the overseer of change. The MEC's ferocious centralization policy,

In your opinion, do the governments--
federal, state and local--and private
firms pursue a cultural policy con-
sistent with the country's needs?

| | | (1) (2) (3) (4) (5) | | | | | | | | | |
|-----------|-------|---------------------|------|------|------|------|---------|----------|--------------|------|---------|
| | Total | CLASSES | | | | | Regions | | | | |
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Yes | 11.0 | 9.3 | 9.8 | 12.8 | 13.9 | 20.0 | 9.4 | 8.8 | 13.7 | 11.5 | 10.5 |
| No | 83.0 | 85.8 | 83.4 | 81.6 | 78.3 | 68.0 | 85.5 | 84.4 | 78.1 | 83.1 | 83.2 |
| No answer | 6.0 | 4.9 | 6.7 | 5.6 | 7.8 | 12.0 | 5.1 | 6.8 | 8.2 | 5.4 | 6.3 |

The television networks provide:

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 11.2 | 15.1 | 12.0 | 8.5 | 6.4 | 0.0 | 7.7 | 12.3 | 9.4 | 8.9 | 13.7 |
| (7) | 4.0 | 4.4 | 3.5 | 4.0 | 4.7 | 8.0 | 4.3 | 2.9 | 2.7 | 4.1 | 4.3 |
| (8) | 67.5 | 63.9 | 67.5 | 70.8 | 66.1 | 68.0 | 72.6 | 68.5 | 68.0 | 71.1 | 63.6 |
| (9) | 13.4 | 13.2 | 12.8 | 13.3 | 17.5 | 12.0 | 12.8 | 10.1 | 12.1 | 12.8 | 14.8 |
| (10) | 3.8 | 3.4 | 4.1 | 3.3 | 5.3 | 12.0 | 2.6 | 6.2 | 7.8 | 3.0 | 3.7 |

Key:

- | | |
|----------------|----------------------------------|
| 1. North | 6. Entertainment only |
| 2. Northeast | 7. Chiefly information |
| 3. Center-West | 8. Entertainment and information |
| 4. South | 9. Other |
| 5. Southeast | 10. No answer |

which made the Federal Education Council the absolute ruler of Brazilian education at all levels, both public and private, also resulted in a centralization of responsibility for the failures and in a concentration of discredit. Our readers' confidence in the government's ability to set standards for education and their trust in the administration of the public schools themselves have declined: in 1981, 33.9 percent said that the government should dictate the rules for education at all levels, and 28.6 percent felt that this should be the case only in public schools. In 1982, only 27.8 percent support an all-powerful MEC, and only 17.1 percent feel that the government should attend to its own educational institutions. Today, more than half of the respondents (compared to 35 percent last year) categorically reject the government as the country's absolute ruler in educational matters. In comments accompanying their answers to the questionnaire, our readers reveal their concern about specific entrance examinations for higher education, the introduction of courses adapted to regional circumstances, administrative and curricular autonomy to insure a closer adaptation of programs to local situations, and so on.

The same kind of concern shows up on the issue of cultural policy, which is generated both by the government and by private firms. Our readers consider that policy unsuited to the country's needs. Among the regions, the Center-West is the one most satisfied with it. Among the social classes, it is noted that dissatisfaction increases as purchasing power increases. Concerning the areas needing more support in the cultural sector, there was a greater interest in all of them except books--which nevertheless still have the highest percentage (65.2 percent last year, compared to 60.1 percent in 1982).

As far as television is concerned--it is the chief means of communication and the main source of leisure-time activities for Brazilians--there was a perceptible increase in the awareness of those two functions. Last year, 28.2 percent of our readers said TV was only a source of entertainment, and 39.1 percent saw it as a vehicle of information (keeping in mind that VISA0's readers are mostly men). In 1982, 67.5 percent see the two functions as combined. In 1981, 27.9 percent of those polled mentioned "another function" and took advantage of the opportunity to criticize the medium severely. This year, the critics are down to 13.4 percent. From all indications, TV was the cultural activity most nearly satisfying the expectations of the Brazilian public. With new networks on the market and a big effort to attract viewers to the government stations as well, it is at least the area experiencing the stiffest competition in quantity and quality during the period in question.

Economy: Falling Living Standard, Rising Criticism

With his standard of living declining, the average Brazilian--concerned to rationalize his spending to the maximum to insure essential needs such as food and the education of his children, harassed by the third consecutive year of high inflation and devalued wages, and sorely beset by the tax collector--does not seem to have any great reason to be optimistic or to favor the government's economic policy.

What are your expectations concerning the inflation rate this year?

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|------------------------|-------|---------|------|------|------|------|---------|----------|----------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro - Oeste | Sul | Sudeste |
| Higher than in 1981 | 14.6 | 9.3 | 13.5 | 19.1 | 19.7 | 20.0 | 20.5 | 23.1 | 18.0 | 14.1 | 12.9 |
| Lower than in 1981 | 36.8 | 43.4 | 36.9 | 32.3 | 32.5 | 24.0 | 37.6 | 27.9 | 34.4 | 36.8 | 38.5 |
| About the same as 1981 | 46.7 | 45.4 | 48.2 | 46.3 | 45.3 | 52.0 | 39.3 | 47.4 | 46.1 | 47.0 | 46.8 |
| No answer | 1.9 | 1.9 | 1.4 | 2.3 | 2.5 | 4.0 | 2.6 | 1.6 | 1.6 | 2.1 | 1.8 |

The current wage policy, based on smaller increases for higher paid employees, is:

| | Total | CLASSES | | | | | Regions | | | | |
|-----------|-------|---------|------|------|------|------|---------|----------|----------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro - Oeste | Sul | Sudeste |
| Correct | 47.9 | 37.0 | 46.4 | 54.6 | 63.1 | 76.0 | 47.0 | 49.7 | 50.4 | 52.3 | 43.4 |
| Incorrect | 45.3 | 56.5 | 46.5 | 38.5 | 31.1 | 12.0 | 46.2 | 42.9 | 42.6 | 41.2 | 49.6 |
| No answer | 6.8 | 6.5 | 7.1 | 6.9 | 5.8 | 12.0 | 6.8 | 7.5 | 7.0 | 6.5 | 6.9 |

Where would you put your savings?

| | Total | CLASSES | | | | | Regions | | | | |
|-------------------------|-------|---------|------|------|------|------|---------|----------|----------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro - Oeste | Sul | Sudeste |
| Fixed-income securities | 5.4 | 7.2 | 5.6 | 4.2 | 3.6 | 0.0 | 2.6 | 5.5 | 2.0 | 4.4 | 7.0 |
| Savings accounts | 35.7 | 37.2 | 36.0 | 34.0 | 35.6 | 40.0 | 35.0 | 37.3 | 34.0 | 34.9 | 36.4 |
| Stock market | 7.5 | 12.0 | 7.1 | 4.7 | 5.0 | 4.0 | 8.5 | 7.8 | 8.6 | 6.3 | 8.3 |
| Real estate | 61.9 | 66.8 | 63.0 | 57.9 | 56.9 | 48.0 | 60.7 | 60.4 | 61.7 | 61.5 | 62.5 |
| Jewelry | 5.5 | 7.1 | 5.1 | 5.0 | 4.4 | 0.0 | 2.6 | 4.9 | 6.3 | 4.8 | 6.3 |
| Other | 6.8 | 7.3 | 6.2 | 6.6 | 8.6 | 12.0 | 4.3 | 4.9 | 7.8 | 6.8 | 7.2 |
| No answer | 3.7 | 3.7 | 3.3 | 4.3 | 3.1 | 8.0 | 3.4 | 3.6 | 5.5 | 3.4 | 3.9 |

Key:

1. North 2. Northeast 3. Center-West 4. South 5. Southeast

This shows up clearly in the survey conducted by VISA0 among its readers. Only one-third of them expect a better standard of living than last year, while about 37 percent say they expect lower inflation than in 1981 (perhaps they are influenced by the figures for January and February, which is when this survey was conducted). Even so, that group of optimists is larger than it was during a similar survey last year, meaning either that the government is winning the confidence of part of the population (and beginning to dispel the extremely dangerous "inflationary expectation" that is one of the factors feeding inflation) or that that same population believes we have now hit bottom and that the situation could not possibly get any worse.

But the level of disapproval for the overall economic policy being pursued by the government and, chiefly, the low level of approval lead us to believe that the second of those two possibilities is the correct one. This is mainly because a frequently recurring reason among those mentioned to explain the negative attitude is the lack of faith in the effectiveness of the measures being implemented as well as in the very objectives of those carrying out those measures. Many of those reasons are discouraging as well, because they are based on fatalistic arguments to the effect that "there is no other way to go"--as if the government's predominance over the individual had been accepted as complete.

Doubts concerning the government's conduct are not expressed only in the form of specific comments. The very fact that real estate is seen as the best investment shows that the financial authorities have accomplished little with their policy of clearly favoring savings accounts. While one-third of the readers said they were influenced by that policy, two-thirds still prefer the security of real estate as a means of protecting their assets, even though it does not have the same liquidity.

Economic Policy--Most of the readers who responded to our survey regard the policy being pursued by the government as wrong. That answer was chosen by 55 percent of those responding, and there is no room for doubt about it, considering that only 21 percent of the responses are favorable, although with some reservations, and the favorable responses are outnumbered even by the undecided (16 percent say "I don't know," and 8 percent do not answer).

The highest percentage of abstentions on this question was in Class C (nearly 27 percent of those polled), while the highest percentage of positive and negative answers was in Class A, 56 percent of which condemns the policy and nearly 23 percent of which approves of it. As far as geographic distribution is concerned, the greatest disapproval is found in the North (61 percent) and the Northeast (59 percent), while the highest level of approval is found in the South Region (22 percent).

The reasons for the opposing viewpoints do not vary much. There are the philosophical opponents--and there are many of them--who say that our economic policy has no "philosophical definition or practical consistency," that it "is interventionist and restricts the scope of private initiative," and that it "discourages free enterprise." And the various statements all agree that it "should opt for free enterprise and a market economy."

There are others, also quite numerous, who complain of the "inappropriate allocation of funds," the policy's "immediatism," the insufficient importance assigned to agriculture, education, and health, the "existence of superfluous spending by the government," the "excessive number of fiefdoms," and the fact that the policy is "directed mainly toward industry."

The model adopted is also criticized for "concentrating wealth in the hands of a few," for "benefiting only the big shots, the big firms, and the bankers," for giving "too much protection to the multinationals," for "concerning itself only with the cities" (meaning, probably, that it ignores the rural areas), and because of "the lack of economic autonomy for the municipalities."

Inflation and the population's economic difficulties are frequently mentioned. The policy adopted by the government is accused of sacrificing the population in general and the middle class in particular, of "not contributing to a reduction of inflation" and of "not checking the increase in the cost of living and maintaining the voracity of taxes." Our readers also complain that despite all the sacrifices imposed on them, the big national problems are not being solved, examples being the high cost of living and the foreign debt. Incidentally, there are those who say that the economic policy is best described as "the state of foreign debt."

Government in Check--The government's credibility is frequently challenged, as is shown in such statements as "our planners live in another world," "inflation is caused by the government itself, which is doing nothing to overcome it," "it is a policy based on the forced formation (that is, manipulation) of indicators," "decisions are vague, and there are constant changes in the rules of the game," "there is no honesty, consistency, or real compliance with the law," "they consider only the interests of those in power and not the interests of the people," and "there is no honesty or sincerity in attitudes."

Other targets for criticism are excessive taxes, "growing intervention by the government in the economy as it races toward socialism," "the devaluation of man," and growing unemployment.

Supporters of the current economic policy say it is the right one because it is the one "best suited to a developing country and to the world situation" and because "it emphasizes agriculture, cuts subsidies, does away with price controls, and promotes exports." "It is more right than wrong," they also say, and they add up its successes: "inflation is receding," "some sectors are improving," "it is yielding results on some points," "it helps agriculture and fights unemployment," "it stimulates development," "it is restoring equilibrium to the financial balance," and "it has enabled the country to survive the current world situation without major problems."

There are also the pragmatic types, who accept it because "we have no other option," "it is the most that can be done at the moment," and "it is the only way to keep the country developing" or to "keep it from hitting bottom," and there are also those who feel that "we must suffer now to have a better future."

What was your standard of living like in 1981?

| | | (1) (2) (3) (4) (5) | | | | | | | | | | |
|------|------|---------------------|------|------|------|------|---------|-------|----------|----------------|------|---------|
| | | CLASSES | | | | | Regions | | | | | |
| | | Total | A | B | C | D | E | Norte | Nordeste | Centro - Oeste | Sul | Sudeste |
| (6) | (7) | 16.9 | 26.7 | 20.9 | 8.3 | 1.1 | 4.0 | 10.3 | 16.6 | 14.1 | 17.4 | 17.3 |
| (8) | (9) | 6.4 | 2.9 | 6.4 | 9.2 | 7.2 | 4.0 | 16.2 | 7.1 | 7.4 | 5.4 | 6.4 |
| (9) | (10) | 44.2 | 62.0 | 52.4 | 29.4 | 10.0 | 4.0 | 39.3 | 46.4 | 46.1 | 42.0 | 46.0 |
| (10) | (11) | 26.0 | 4.2 | 15.2 | 42.7 | 76.1 | 80.0 | 29.9 | 26.9 | 23.0 | 27.7 | 24.3 |
| (11) | (12) | 4.5 | 2.2 | 3.3 | 8.3 | 3.6 | 0.0 | 2.6 | 1.9 | 7.4 | 5.3 | 3.9 |
| (12) | (13) | 2.0 | 2.0 | 1.8 | 2.2 | 1.9 | 8.0 | 1.7 | 1.0 | 2.0 | 2.1 | 2.1 |
| (13) | (14) | 41.9 | 47.6 | 40.4 | 40.0 | 38.1 | 24.0 | 35.9 | 40.6 | 39.1 | 43.0 | 41.8 |
| (14) | (15) | 55.7 | 49.8 | 57.6 | 57.5 | 58.6 | 72.0 | 60.7 | 57.1 | 58.6 | 54.8 | 55.6 |
| (15) | (16) | 2.4 | 2.7 | 2.0 | 2.5 | 3.3 | 4.0 | 3.4 | 2.3 | 2.3 | 2.2 | 2.6 |
| (16) | (17) | 13.1 | 10.4 | 15.3 | 13.6 | 10.3 | 12.0 | 12.8 | 14.6 | 14.8 | 13.7 | 12.1 |
| (17) | (18) | 16.3 | 23.9 | 15.4 | 12.1 | 11.7 | 12.0 | 23.9 | 19.5 | 20.7 | 15.1 | 15.9 |
| (18) | (19) | 2.8 | 5.5 | 2.6 | 1.4 | 0.6 | 0.0 | 1.7 | 2.3 | 2.7 | 2.3 | 3.4 |
| (19) | (20) | 64.4 | 56.2 | 63.7 | 69.3 | 74.4 | 76.0 | 59.0 | 61.4 | 59.8 | 65.8 | 64.6 |
| (20) | (21) | 3.4 | 4.0 | 2.9 | 3.6 | 3.1 | 0.0 | 2.6 | 2.3 | 2.0 | 3.1 | 4.1 |
| (21) | (22) | 26.0 | 28.6 | 26.3 | 24.8 | 21.9 | 20.0 | 23.9 | 20.8 | 24.6 | 27.8 | 25.6 |
| (22) | (23) | 69.0 | 67.4 | 70.0 | 68.5 | 70.6 | 76.0 | 72.6 | 72.7 | 71.5 | 66.9 | 69.7 |
| (23) | (24) | 5.0 | 4.0 | 3.7 | 6.7 | 7.5 | 4.0 | 3.4 | 6.5 | 3.9 | 5.3 | 4.6 |
| (24) | (25) | 31.5 | 26.5 | 30.6 | 35.5 | 35.6 | 48.0 | 41.0 | 38.3 | 32.8 | 29.5 | 31.4 |
| (25) | (26) | 7.3 | 6.1 | 6.8 | 8.3 | 9.7 | 8.0 | 7.7 | 8.4 | 9.4 | 7.2 | 6.9 |
| (26) | (27) | 58.2 | 65.1 | 60.1 | 52.4 | 50.6 | 40.0 | 48.7 | 50.6 | 55.9 | 59.8 | 58.8 |
| (27) | (28) | 3.0 | 2.3 | 2.6 | 3.9 | 4.2 | 4.0 | 2.6 | 2.6 | 2.0 | 3.4 | 2.9 |
| (28) | (29) | 8.0 | 6.9 | 7.1 | 9.2 | 11.4 | 8.0 | 11.1 | 5.2 | 7.0 | 8.3 | 8.2 |
| (29) | (30) | 52.1 | 44.6 | 54.8 | 54.8 | 54.4 | 56.0 | 53.8 | 60.4 | 57.4 | 50.9 | 51.1 |
| (30) | (31) | 36.7 | 46.2 | 35.5 | 31.9 | 30.3 | 28.0 | 31.6 | 31.2 | 31.3 | 38.1 | 37.4 |
| (31) | (32) | 3.1 | 2.2 | 2.6 | 4.1 | 3.9 | 8.0 | 3.4 | 3.2 | 4.3 | 2.6 | 3.3 |
| (32) | (33) | 47.3 | 68.3 | 48.4 | 34.0 | 27.8 | 12.0 | 45.3 | 51.0 | 41.4 | 47.5 | 47.5 |
| (33) | (34) | 3.0 | 2.5 | 3.5 | 3.2 | 2.2 | 4.0 | 4.3 | 4.9 | 3.9 | 2.7 | 2.9 |
| (34) | (35) | 8.7 | 3.5 | 9.2 | 11.1 | 12.8 | 24.0 | 12.0 | 8.8 | 12.1 | 8.5 | 8.1 |
| (35) | (36) | 3.0 | 3.8 | 2.9 | 2.5 | 3.1 | 4.0 | 1.7 | 2.6 | 4.3 | 2.8 | 3.2 |
| (36) | (37) | 37.9 | 21.9 | 36.1 | 49.3 | 54.2 | 56.0 | 36.8 | 32.8 | 38.3 | 38.5 | 38.3 |
| (37) | (38) | 35.5 | 44.1 | 34.4 | 31.3 | 29.2 | 28.0 | 33.3 | 33.4 | 38.7 | 34.1 | 36.8 |
| (38) | (39) | 39.0 | 36.8 | 40.2 | 39.6 | 38.1 | 48.0 | 32.5 | 39.0 | 31.6 | 42.8 | 36.9 |
| (39) | (40) | 21.3 | 15.6 | 21.8 | 24.2 | 26.7 | 16.0 | 29.1 | 24.0 | 25.8 | 18.6 | 22.2 |
| (40) | (41) | 4.2 | 3.5 | 3.6 | 4.9 | 6.1 | 8.0 | 5.1 | 3.6 | 3.9 | 4.5 | 4.1 |

[Key on following page]

[Key to table on preceding page:]

1. North
2. Northeast
3. Center-West
4. South
5. Southeast
6. Automobile
7. Replaced
8. Sold and did not replace
9. Kept the old one
10. Have no car
11. Bought one for the first time
12. No answer
13. Home appliances
14. Bought new ones
15. Did not buy new ones
16. Real estate
17. Bought for residence
18. Bought for investment
19. Bought for leisure
20. Did not buy
21. Furniture, rugs, curtains, and so on
22. Bought new
23. Kept the old ones
24. Supermarket
25. Reduced quantity of purchases
26. Increased quantity of purchases
27. No change in quantity of purchases
28. Restaurants, movies, theater
29. Attended more often
30. Attended less often
31. No change
32. Private school attended by children
33. No change of school
34. Transferred to a cheaper school
35. Chose public school
36. Transferred to a more expensive school
37. Vacation
38. No change
39. Had to sacrifice it partially
40. Had to sacrifice it completely

Although there is a small group that supports it because of a "lack of information with which to challenge it" or "without being able to justify that opinion," there are others who consider it correct, "although poorly implemented," and those who trust the government because they feel that "it is trying to find the right way to improve everyone's standard of living."

Inflation--Either the optimistic campaign conducted by government authorities has yielded some results among our readers or price developments during the past year were really considered the worst possible.

The reason for saying that is that although nearly half of the responses confirm the expectation that inflation will be kept at last year's levels, nearly 37 percent indicate a belief that those levels will decline--thus contradicting the picture presented to our pollsters at the start of 1981. And only 15 percent think that things may get even worse.

The fact is that because it was conducted in February, this survey mirrors the population's expectation of improvement based on the first figures published for the year. If that expectation continues, the government will have actually succeeded in eliminating a good share of the emotional component involved in higher prices--that state of mind which leads all sectors, financial or not, to think ahead when increasing their profit margin so as to compensate for the currency's loss of value and also makes the consumer agree to pay more for durable goods in the belief that he would have to pay even more in the future.

The most optimistic are the readers belonging to Class A, while the most pessimistic are in Class E. In the first case, 43.4 percent believe inflation will decline, while 20 percent of Class E thinks that things will get worse. And while our readers in the Southeast are most confident that inflation will decline, the darkest predictions are found mainly in the Northeast (23 percent) and the North (20 percent).

Wage Policy--As happened in the case of last year's survey, this question again divides the universe of our readers, putting those in Class A (who disagree the most) on the opposite side of the fence from those in Class C (who are in favor). This same correlation of positions between "rich" and "poor" holds true in the geographic distribution of those polled: only in the Southeast Region is opinion predominantly against the wage policy.

The reasons leading our readers to respond favorably or unfavorably to the question "Is the current wage policy, based on smaller increases for those with higher incomes, correct or incorrect?" also show that opinions have not changed much since that policy went into effect over a year ago.

For those who consider that policy correct, the most common reason is that "it promotes a better distribution of income," although also appearing quite persistently is the statement that "it combats inflation" and "helps guarantee job security."

How do you intend to spend your vacation in 1982?

| | | (1) (2) (3) (4) (5) | | | | | | | | | |
|------|-------|---------------------|------|------|------|------|---------|----------|--------------|------|---------|
| | | CLASSES | | | | | Regions | | | | |
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 4.4 | 9.8 | 3.5 | 1.5 | 1.4 | 4.0 | 7.7 | 3.9 | 3.1 | 2.4 | 6.2 |
| (7) | 54.3 | 60.7 | 55.6 | 49.6 | 46.9 | 36.0 | 50.4 | 47.4 | 60.5 | 53.8 | 55.2 |
| (8) | 38.0 | 27.1 | 37.5 | 45.0 | 47.5 | 56.0 | 39.3 | 45.8 | 32.4 | 40.3 | 35.2 |
| (9) | 3.4 | 2.4 | 3.4 | 3.9 | 4.2 | 4.0 | 2.6 | 2.9 | 3.9 | 3.4 | 3.3 |
| (10) | 5.9 | 2.8 | 5.4 | 8.3 | 8.1 | 8.0 | 4.3 | 5.5 | 5.1 | 6.8 | 5.2 |
| (11) | 4.1 | 4.2 | 4.3 | 4.1 | 3.6 | 0.0 | 5.1 | 3.6 | 6.6 | 3.8 | 4.1 |
| (12) | 90.0 | 93.0 | 90.2 | 87.6 | 88.3 | 92.0 | 90.6 | 90.9 | 88.3 | 89.3 | 90.7 |
| (13) | | | | | | | | | | | |
| (14) | 3.7 | 4.2 | 3.2 | 3.6 | 5.3 | 0.0 | 2.6 | 3.9 | 3.5 | 4.2 | 3.4 |
| (15) | 2.8 | 1.2 | 2.0 | 4.0 | 6.7 | 8.0 | 6.0 | 1.9 | 1.6 | 3.3 | 2.5 |
| (16) | 4.1 | 7.2 | 3.5 | 2.6 | 2.2 | 0.0 | 2.6 | 4.5 | 3.5 | 3.3 | 4.9 |
| (17) | 8.6 | 5.4 | 8.8 | 11.0 | 8.9 | 8.0 | 11.1 | 7.8 | 8.6 | 9.5 | 7.7 |
| (18) | 80.8 | 82.1 | 82.5 | 78.7 | 76.9 | 84.0 | 77.8 | 81.8 | 82.8 | 79.7 | 81.5 |
| (19) | | | | | | | | | | | |

Key:

- | | |
|---------------------|-------------------------------|
| 1. North | 10. If traveling in Brazil: |
| 2. Northeast | 11. Travel within the state |
| 3. Center-West | 12. Travel to another state |
| 4. South | 13. No answer |
| 5. Southeast | 14. Type of lodging: |
| 6. Travel abroad | 15. Own property |
| 7. Travel in Brazil | 16. Rented property |
| 8. Staying home | 17. Hotel |
| 9. No answer | 18. With friends or relatives |
| | 19. No answer |

How do you foresee your standard of living in 1982?

| | | CLASSES | | | | | Regions | | | | |
|------------------------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | Total | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| Worse than in 1981 | 13.9 | 15.4 | 14.8 | 12.7 | 10.8 | 4.0 | 11.1 | 16.2 | 12.9 | 12.5 | 15.2 |
| Better than in 1981 | 33.7 | 27.6 | 32.1 | 37.0 | 46.4 | 56.0 | 42.7 | 32.1 | 40.2 | 35.7 | 30.7 |
| About the same as 1981 | 50.1 | 55.1 | 51.0 | 47.8 | 40.0 | 32.0 | 43.6 | 49.7 | 45.3 | 49.8 | 51.5 |
| No answer | 2.3 | 1.9 | 2.2 | 2.5 | 2.8 | 8.0 | 2.6 | 1.9 | 1.6 | 2.0 | 2.6 |

Its favorable effect in "increasing the purchasing power of those with the lowest incomes" is also mentioned, and the statement is frequently found that "wages do not contribute to the growth of inflation."

For those who consider the policy incorrect, criticisms vary quite a bit. The one mentioned most frequently is the fact that "it levels wages downward," thus "discouraging the personal progress of the worker, who, on being promoted, sees his wage decrease," and that "it does not reward the most capable." But there are those who say that "it is inflationary and generates unemployment," that it "reduces the purchasing power of the classes that really consume," and that it "does not solve the problem of the distribution of income."

In their ideological analyses, curiously enough, agreement is noted between those who support the policy because "it has a leveling effect among workers, resulting in democratic socialism" and those who attack it because they consider it "a step toward communist socialism."

Investment--The decision to encourage investments subject to monetary correction (which has resulted in a factor of 95.6 percent, slightly higher than the inflation rate) naturally benefited savings accounts, which in our survey were mentioned by over a third of those responding--but it did not threaten real estate, which totally dominates our readers' choices and is mentioned in almost two-thirds of those choices (this was a "multiple-choice" question). Lack of investor confidence in the durability of the incentives offered by the government remains very obvious in the treatment accorded fixed-income securities, which are at the same level as jewelry (less than 6 percent). Thanks to good performance by about 90 stock market securities (chiefly bank stocks), whose yield outstripped inflation last year, the stock market also became more popular, being mentioned by nearly 8 percent of those polled (compared to 4.4 percent in the 1981 survey).

Among other types of investment mentioned by our readers, investment in strong foreign currencies--chiefly the U.S. dollar--enjoyed a big upsurge, followed by the purchase (?) of durable goods ranging from automobiles to home appliances and agriculture. Interesting, too, is the mention of education as another investment, possibly an indication of a greater concern for vocational preparation related to the difficulties with employment.

Naturally, there was no lack of facetious comments along the lines of "there is no way to save anything," "there is nothing left over to invest," and "the wage earner in Brazil is not in a position to save."

As far as geographical distribution is concerned, the preference for real estate and savings accounts is in the lead everywhere, but only in the Southeast Region does real estate exceed the national average, while savings accounts are outstanding chiefly in the Northeast and Southeast. The stock market is preferred mainly in the Center-West and the North, while investments in fixed-income securities and jewelry are preferred in the Southeast.

Standard of Living--Generally speaking, VISAQ's readers experienced a declining standard of living over the past year. About half did not replace their car

Employment and income: How have your income and job been affected this year by the wage policy and the economic and tax policy?

(1) (2) (3) (4) (5)

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (6) | 24.5 | 23.3 | 24.2 | 25.6 | 25.0 | 32.0 | 31.6 | 28.2 | 28.9 | 24.4 | 23.0 |
| (7) | 35.4 | 42.4 | 35.7 | 30.6 | 30.0 | 32.0 | 32.5 | 36.4 | 33.6 | 33.1 | 37.8 |
| (8) | 33.6 | 29.7 | 33.9 | 35.9 | 36.4 | 28.0 | 28.2 | 29.2 | 30.5 | 36.0 | 32.8 |
| (9) | 6.5 | 4.6 | 6.2 | 7.9 | 8.6 | 8.0 | 7.7 | 6.2 | 7.0 | 6.5 | 6.4 |
| (10) | 51.3 | 59.1 | 52.5 | 46.3 | 41.7 | 28.0 | 55.6 | 46.4 | 45.7 | 53.4 | 50.7 |
| (11) | 28.0 | 19.5 | 26.0 | 33.7 | 40.3 | 60.0 | 26.5 | 28.2 | 33.6 | 27.6 | 27.7 |
| (9) | 20.7 | 21.4 | 21.5 | 20.0 | 18.1 | 12.0 | 17.9 | 25.3 | 20.7 | 19.0 | 21.7 |
| (12) | 45.7 | 60.5 | 48.7 | 35.0 | 26.4 | 36.0 | 45.3 | 44.2 | 44.1 | 41.5 | 50.1 |
| (13) | 5.9 | 4.4 | 6.9 | 5.6 | 6.7 | 12.0 | 6.0 | 3.9 | 8.6 | 6.1 | 5.6 |
| (14) | 24.0 | 20.8 | 24.1 | 25.8 | 27.2 | 24.0 | 22.2 | 23.1 | 24.6 | 26.4 | 22.1 |
| (9) | 24.3 | 14.3 | 20.3 | 33.6 | 39.7 | 28.0 | 26.5 | 28.9 | 22.7 | 26.0 | 22.2 |

What do you think of the government's economic policy?

| | Total | CLASSES | | | | | Regions | | | | |
|------|-------|---------|------|------|------|------|---------|----------|--------------|------|---------|
| | | A | B | C | D | E | Norte | Nordeste | Centro-Oeste | Sul | Sudeste |
| (15) | 21.0 | 22.6 | 21.3 | 20.4 | 17.2 | 20.0 | 14.5 | 18.8 | 23.8 | 21.9 | 20.5 |
| (16) | 55.1 | 55.9 | 55.6 | 52.9 | 58.3 | 56.0 | 61.5 | 59.4 | 54.7 | 53.5 | 55.5 |
| (17) | 15.6 | 12.5 | 15.4 | 17.8 | 17.5 | 16.0 | 17.1 | 15.6 | 12.9 | 16.3 | 15.1 |
| (9) | 8.3 | 9.0 | 7.7 | 9.0 | 6.9 | 8.0 | 6.8 | 6.2 | 8.6 | 8.2 | 8.9 |

Key:

- | | |
|------------------|---|
| 1. North | 10. I am satisfied with my job |
| 2. Northeast | 11. I changed or would like to change jobs |
| 3. Center-West | 12. I paid a higher percentage in tax |
| 4. South | 13. I paid a lower percentage in tax |
| 5. Southeast | 14. I paid the same percentage in tax |
| 6. Higher income | 15. It is correct |
| 7. Lower income | 16. It is incorrect |
| 8. Same income | 17. I don't know what the government's economic policy is |
| 9. No answer | |

(and the one-third whose standard of living did not decline also did not buy a new car), nor did they buy new home appliances, and even fewer bought new real estate, even for use as a residence. Furniture, rugs, curtains, and so on were not replaced by two-thirds of those polled, while over half cut down on visits to restaurants, movies, and the theater. All those cutbacks were made to keep the children in the same school or to avoid reducing purchases at the supermarket (even so, 31 percent of our readers did cut back on supermarket purchases). Cutbacks in spending also affected vacations: 40 percent of those polled sacrificed their vacation to some extent.

This reordering of expenditures that determine the standard of living among our readers reveals interesting differences in behavior among the income groups analyzed, chiefly the three highest (Classes A, B, and C). Class A, for example, was more conservative than Class B when it came to keeping the old car (62 percent compared to 52 percent for Class B), although 15 percent of those in the latter group preferred to continue without a car, as did 43 percent of those in Class C. The decision not to buy new home appliances was made primarily in Classes B and C (57 percent in both cases), while all three groups decided, in almost the same proportions, not to buy new furniture, rugs, curtains, and so on.

Faced with deciding whether to buy real estate--over 64 percent preferred not to--only Class A showed an interest in buying it as an investment (24 percent) as opposed to buying it as a residence (perhaps because Class A has already solved that problem), since Classes B and C bought for both purposes in equal proportions.

But it is in the area of leisure activities that the differences stand out most clearly. While half of Class A made fewer visits to restaurants, movies, and the theater, the other half did not alter its habits, but in Classes B and C, only about one-third did not change those habits. As far as vacations were concerned, 44 percent of Class A enjoyed them as usual, with partial sacrifices being made in Classes B and C (about 40 percent). But a significant number sacrificed vacations altogether: the figures range from 16 percent in Class A to 24 percent in Class C.

The regional distribution shows some interesting results. In most cases, the population behaved the same all over, but that is not true, for example, in the matter of replacing furniture, rugs, curtains, and so on, where we see that nearly 28 percent of the families in the South made such replacements (perhaps because those items are cheaper in that region), while the bulk of the reduction in supermarket purchases occurred in the North (41 percent) and Northeast (38 percent), to the obvious detriment of the volume of purchases. The volume of purchases was maintained quite predominantly in the other regions.

Leisure was also viewed differently according to region. In the North, for example, there was an equal division between families enjoying their leisure as usual, reducing it partially, or sacrificing it completely, while the dominant feature in the Center-West was the continuation of normal leisure activities. Leisure was partially sacrificed in the South, while the Southeast was split equally between the decision to enjoy leisure normally and to reduce it

partially. As far as attendance at restaurants, movies, and the theater was concerned, it was the families in the Northeast (60 percent) and the Center-West (57 percent) which were most concerned to cut back.

What To Expect--In plans for this year, however, not even Class A dares to dream any longer about vacations abroad: 61 percent of the families say they will spend their vacation in Brazil, and 27 percent will not go anywhere at all--an option, incidentally, which increases in popularity as purchasing power declines: the figures are 35 percent for Class B and 45 percent for Class C. Travel, but still within the country, continues to be the dream of 56 percent of Class B and of 50 percent of Class C. Those who most want to travel on their vacation--but within the country--are our readers in the Center-West at 60 percent (and 32 percent are in favor of staying home), but it is the Northeasterners who most expect to spend their vacation at home (46 percent).

But what are the expectations as far as living standards in 1982 are concerned? More than half of those polled expect to maintain the same standard as last year, but that prospect dims progressively as we look at the lower income groups. It is the hope of 55 percent of Class A, but only 48 percent of Class C and 32 percent of Class E. The most affluent classes (A and B) include the greatest percentage of pessimists (15 percent each), while optimism gains ground in the less affluent groups (37 percent in Class C and 56 percent in Class E), perhaps because they feel that they have already hit bottom. But that relationship between optimism and poverty is not observed in the regional percentages: while the prospect of improving one's situation appears highest in the North (43 percent), the prospect of things getting worse is highest in the Northeast (16 percent), and the prospect of staying at the same level is highest in the Southeast (51 percent).

Employment, Income, and Taxes--How has the government's policy affected the incomes and jobs of the readers we polled? Overall, there was some hesitation concerning the item "income," although a slight majority of readers (36 percent) said they had received less income than the year before, while 33 percent said theirs had stayed the same, and 24 percent indicated a higher income. Those most convinced that they had received less are the members of Class A and the residents of the Southeast Region. For Class C and residents of the South Region, incomes stayed closer to what they were the year before.

Although an absolute majority of those polled say, regardless of which region of the country they live in, that they are satisfied with the job they have (perhaps because they have no choice), half of them are certain that they paid more taxes than last year--chiefly those in Class A (60 percent) and those living in the Southeast (50 percent). The possibility of having paid the same amount is accepted only by approximately one-fourth of those polled, and fewer than 10 percent (concentrated in Classes D and E) say they paid less.

One feature that seems difficult to explain concerns the considerable number of readers failing to indicate how much tax they paid. Most of them (41 percent) belong to Class C, although a noticeable number in Class B also reacted in the same way (29 percent), and this group is concentrated almost totally in the Southeast (40 percent) and South (43 percent). Are Brazilians now accepting their powerlessness in the face of the government's tax-collecting fury?

Conclusion: Most Are Afraid of the Future

The Brazil-82 questionnaires were answered by people classified according to social class (five classes from A to E) and living in each of the country's five geographic regions from the South to the North. Those polled include both men and women, people with a complete university education, people who did not complete their primary schooling, people who work, and people who do not work. They are all dissatisfied.

And what is worse, they do not have much hope. Two-thirds of those polled believe that their standard of living will be no better this year than it was last year--which they also do not regard as good--and in response to questions covering the most diverse areas, most of them show that they distrust politicians, that they think a low level of education is provided in this country, that they regard the economic-financial policy being pursued by the government as wrong, they consider it necessary to improve morality in social welfare, and that, in their opinion, the medical and hospital care provided by the public system is of very poor quality. Some of them believe that things are going to improve--they are the ones who feel that the country has already touched bottom and that there is no way for things to get even worse.

Sample--These are important data: VISA0's subscribers are found in all social classes, although Classes A, B, and C predominate--and those are precisely the classes that mold public opinion and become even more important in an election year.

There are some curious figures that may indicate some of the reasons for so much dissatisfaction. For example, the number of people working has declined, even in Class A. In 1981, 95.5 percent of those polled in Class A were working. This year the figure is 95 percent, meaning that there is a quite sizable possibility that unemployment, although on a small scale--but with all the effects of fear that go with it--has reached Class A. In Class B, the drop is more noticeable: the number working has dropped from 94.9 percent in 1981 to 92.9 percent today. There is also a drop in Class C: from 94.7 to 93.4 percent. The decline is greatest in Class D: from 94.9 percent to 91.1 percent. We are disregarding the figures for Class E because the number of VISA0 readers in that class is not statistically significant. Unemployment is unerring in its effect: all it has to do is exist--it does not have to affect the individual himself--and everyone feels insecure and dissatisfied and ready to talk against the government.

The climate of instability is confirmed, incidentally, by another response: despite government incentives and massive publicity, savings accounts are still far behind real estate--the classic "security" against inflation--as the choice investment.

There are people who gave up their vacations to keep a little more money: many people did not replace furniture, rugs, or home appliances, and 31 percent of those polled reduced their supermarket spending. What are they doing with the money saved? Spending it on schooling for their children. But only 0.5 percent

of those polled regard the education provided in this country by the government as good: 95.8 percent feel that it needs to be changed.

Naturally, there are sectors where those polled feel that things have probably improved. For example, more than a third of those polled express the belief that inflation in 1982 will be lower than in 1981—an important fact, since the so-called "inflationary expectation" carries a lot of weight in the raising of prices. Another thing that has improved is government medical care. In 1981, 4.6 percent of those polled considered it satisfactory; in 1982 the figure is 8.9 percent—a figure insignificant in itself, but one that doubled from one year to the next.

Bad things, good things--there is one fact that appeared repeatedly in this Brazil-82 survey, and it should be taken into account: in general, people would like to solve their own problems with as little government interference as possible--and with the consequent reduction in taxes, irritations, and expenditures that such interference involves. "Get government off people's backs" was one of the promises that put Ronald Reagan in the White House, and that seems to be an idea fated to have broad repercussions in our own country. Our candidates, so interested in paying court to socialists and receiving praise from collectivist parties, may perhaps consider it safer to support ideas more in tune with the desires of the voters in the upcoming elections on 15 November.

11798

CSO: 3001/138

NAVAL REEQUIPMENT PROGRAM REQUIRES \$15 BILLION; FIRM ESTABLISHED

Reequipment Program

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 May 82 p 6

[Text] Navy Minister Maximiano da Fonseca reported yesterday that if about \$15 billion were invested in the navy over a period of 10 years (an average of \$1.5 billion per year), by 1990 it would be adequate to meet the country's security needs in the South Atlantic.

Admiral Maximiano stressed that if such funds were made available, "a great effort would be essential to execute the reequipment program, since to obtain the desired results, the program should be carried out through the Brazilian naval construction industry."

The minister added: "It would be very easy to spend \$15 billion in 10 years on imports, but if we went about it this way, our naval power would be only superficially and temporarily strengthened."

He acknowledged that this investment, in the proportions needed, "would to some extent be prejudicial to some national development plans, but it would undeniably contribute strongly to our technological and industrial development, if it were carried out by the national naval construction industry," as he firmly intends.

In the area of military naval construction, the minister said the navy is firmly committed to designing and building the needed ships in Brazil. "That is the only way to insure that, under any circumstances, we will have the necessary means to defend ourselves." According to the admiral, if the navy had the necessary financial resources, it could order construction of nuclear-propelled submarines abroad today, but he emphasized that the navy feels it is "much more important" to take a "first step by building conventional submarines in Brazil. Once we have acquired experience in building this type of vessel, we can think about building nuclear-propelled submarines as well."

Regarding Brazil's current naval strength, the minister reported that, among other units, the navy has 16 frigates, 3 submarines and 6 mine sweepers, all modern, and 10 destroyers, almost 30 years old, acquired in the United States, and 5 other submarines in the same condition. It has an active force of 33,000 sailors and 13,000 naval riflemen.

Regarding the possibility that Brazilian assistance could be requested in the current South Atlantic conflict, the minister said that "if our government so decided, the navy would not have much to offer in the way of assistance, because our naval strength is inadequate to our needs."

Firm Established

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 May 82 p 6

[Text] President Joao Figueiredo yesterday sent a draft bill to the National Congress authorizing the executive to establish EMGEPRON (Naval Project Management Enterprise). With an initial capitalization of 1 million cruzeiros, its purpose would be to promote development of the Brazilian military naval construction industry and related activities, including research and development; to manage projects included in programs approved by the Ministry of the Navy; and to promote or conduct activities in connection with the acquisition and maintenance of naval military materiel.

EMGEPRON would conduct its activities directly or through subsidiaries, wherever possible decentralizing execution of projects, through contracts with private firms. To achieve its ends, the new enterprise could raise capital here or abroad, to be applied directly or by its subsidiaries.

Constitution of the enterprise will be the responsibility of a special commission to be named by the minister of the navy. It will be empowered to draw up an inventory and specifications for the equipment and buildings needed for the enterprise, and to draft the organic statute, the program for the gradual absorption of services and responsibilities and proposals for other measures required for its operation.

6362

CSO: 3001/141

LIST OF 31 WEAPONS READY FOR DELIVERY TO ARGENTINA PUBLISHED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Apr 82 p 13

[Text] Sao Paulo--The Brazilian weapons industry can effectively supply the Argentine armed forces in the event of a cutoff in the international supply of arms to the regime of President Galtieri, say industry experts in Brazil's major war materiel production complex, in Sao Jose dos Campos, 84 kilometers from the Sao Paulo capital.

After Brazil terminated its military aid agreement with the United States during the administration of President Ernesto Geisel, Brazil's war industry began to develop rapidly and today it has the capacity to produce everything from the simplest to the most sophisticated weapons, from automatic 9mm pistols to armored cars, air-to-air and air-to-ground missiles and even jet fighter planes.

Speed

Today, all Brazilian arms production for export is aimed at Latin American and Middle Eastern countries, notably for the Iran-Iraq conflict, although well-informed sources in the major industries at Sao Jose dos Campos said that in a few weeks they will be in a position to produce a substantial quantity of arms for Argentina. According to these industry specialists, Brazil could supply Argentina with no fewer than 31 articles.

In Sao Jose dos Campos, AVIBRAS Aerospacial produces a 108-R multiple launcher for 16 missiles with 3-kg warheads and a range of 8,200 meters, for saturation bombing, as well as the Sbat model (with a 4-kg explosive charge and a 7,500-meter range) and the Sbat-127 model (20 kg of explosives and a 15,000-meter range). There are air-to-air and air-ground versions of both missiles. There is also a possibility of supplying Argentina with a new model of antitank ballistic missile similar to the Belgian Armbrust. It is an individual weapon and has a range of 500 meters.

ENGESA [Specialized Engineers, Inc], also in Sao Jose dos Campos, is now producing the most sought-after light tank in the world. ENGESA has production lines for the Cascavel and the Urutu, which have earned it a \$150 million order from the Iraqi Government this year. These two tanks and the Jararaca, a light military transport vehicle, have been harshly tested in combat in the Middle East and the increased orders for ENGESA are an indication of how well they have performed in this combat.

EMBRAER [Brazilian Aeronautics Company] is producing a line of light military planes capable of assisting the Argentine Air Force, and the Aeronautical Technical Center has made technical repairs to the F-5 and Tiger supersonic pursuit planes, part of the Argentine Air Force.

EMBRAER also produces the Emb-111, a military version of the Bandeirante. It is meant exclusively for patrol missions at sea and also carries weapons produced in Brazil. The plane can remain airborne for 9 hours and carries advanced electronic equipment, capable of detecting any type of vessel from miles away. It also has Thomson instruments to detect submarines and ships with sonar systems that affect normal radar.

Arms List

The weapons experts at Sao Jose dos Campos say there is a possibility for almost immediate delivery of a list of 31 weapons to Argentina; the list is confirmed by IMBEL [War Materiel Industry], which oversees arms exports.

The list is as follows:

- 9mm and .45-caliber automatic pistols for personnel use
- 7.62mm automatic rifles for issue to combatants
- 7.62mm automatic rifles, Para type, for special issue to paratroopers
- 7.62mm machineguns, for use by combat squads
- 9mm submachineguns for special missions
- Heavy machineguns (.50-caliber), for low-altitude antiaircraft defense and for use against armored or light armored vehicles and infantry troops
- 90mm cannons for combat vehicles
- 60mm, 81mm and 120mm mortars
- 2.36- and 3.53-caliber rocket launchers
- Multiple rocket launchers
- Smoke launchers for installation in combat vehicles
- Ammunition for infantry weapons, of various types and calibers: 5.56mm, 7mm, 7.62mm, 9mm, .30-, .45- and .50-caliber
- Ammunition for 20mm, 37mm, 40mm, 57mm, 75mm, 90mm, 105mm, 127mm and 155mm cannons
- Ammunition for 60mm, 81mm and 120mm mortars
- 2.36- and 3.5-caliber rockets for rocket launchers
- Hand grenades for offensive use
- Hand grenades for defensive use; offensive-defensive hand grenades
- Rifle grenades for antivehicle use
- Antipersonnel mines
- Antitank mines
- Signal flares
- Binoculars, gunsights, theodolites, goniometers, compasses and other equipment to observe and direct fire
- Field telephones and radios
- Armored cars for reconnaissance (wheels)
- Amphibious armored troop transport vehicles (wheels)
- Bridge-laying vehicles
- Special powder for fireless and smokeless discharges
- Gas masks and steel helmets

MERCHANT FLEET TO TOTAL 10 MILLION TONS IN 1982

Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Apr 82 p 25

[Text] Brasilia--By the end of this year the Brazilian merchant fleet should total 10 million dwt, as opposed to 8,944,000 tons in December of last year. This information is included in the document "Planning and Goals of the Ministry of Transportation for 1982."

To reach this figure, the nation's shipyards will deliver 74 hulls (vessels), totaling 1.48 million tons and 14,880 bhp, counting tugboats and towboats. Vessels scheduled for delivery this year include 18 grainboats (645,000 dwt), 11 freighters (130,000 dwt) and 5 oil tankers (215,000 dwt).

Exports

The Transportation Ministry program estimates the tonnage of Brazilian ships built for export this year at 500,000 dwt. This is considered a first-class item on the tariff list of Brazilian exports because, in addition to the ships themselves, these exports involve a series of domestic factors, such as the manpower and the hundreds of pieces of domestically produced equipment and components used in their manufacture.

The export program includes a 30,220 dwt container ship, two oil tankers, one 80,650 dwt and the other 50,600 dwt, a 70,000 dwt grain ship, three 38,500 dwt grain ships and a 37,800 dwt grain ship.

In the last 10 years the Brazilian shipbuilding industry exported 85 vessels, including grain ships, freighters, petroleum tankers, crude oil tankers and fishing boats, totaling 1.2 million tons and representing over \$500 million in foreign exchange for the country. From the beginning of the Figueiredo administration to date, Brazil has exported 29 ships, totaling 810,000 tons and valued at \$370 million.

With a total of 40 river boats to be delivered by the end of 1983, this year the nation's shipyards will launch 20 ships, 18 of the mixed type for CONAVI [Companhia de Navegacao Interior de Amazonia], totaling 832 tons, and two catamarans for ENASA (Empresa de Navegacao de Amazonia).

To keep the "ways" busy at the national shipyards that have already met their orders for the second PCN (Naval Construction Program), the Transportation Ministry has created a continuous shipbuilding program, providing for orders totaling 1.8 million tons by December 1983, representing an investment of about \$1 billion.

MACEDO DENIES AMNESTY TO METALWORKERS TRIED FOR 1980 STRIKE

Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Apr 82 p 21

[Interview with Labor Minister Murilo Macedo by Juarez Pires; date and place not indicated]

[Text] Brasilia--This May Day the government will not present any "impact" project to the workers. In the opinion of Minister Murilo Macedo, the daily work of the government on behalf of the unemployed is enough to demonstrate that the social area is a government priority. Nor will there be any substantial changes in the CLT [Consolidated Labor Laws], and the wage policy will remain in effect.

In an interview with FOLHA, Macedo said that despite the ruling of the Military Court, the metalworkers prosecuted in the 1980 strike in the ABC (Greater Sao Paulo area) will not be granted amnesty by the Labor Ministry. They will not regain their right to participate in the leadership of union bodies while he is labor minister.

The new Labor Procedural Code will be forwarded to the Civil Office of the Presidency of the Republic next month. However, the code, which includes such substantive material as the strike law, union freedom and autonomy and job security, will only reach congress at the end of the Figueiredo administration. For this year, "now that the wage policy is in place," the labor minister intends to concentrate his efforts on manpower training and employment policies. In addition, he wants to improve the system of statistics and information on employment levels and labor relations in general.

Unemployment

FOLHA: Do you think the May Day celebrations this year will be less enthusiastic because of the problems caused by unemployment and inflation?

Macedo: If I denied that we are having problems, I would be lying. Unemployment has reached a very serious level, which is disrupting the life of the worker. I think that today the worker has the specter of unemployment hanging over his head, but it is also important to recognize that unemployment was sharper last year. We are now seeing the first signs of recovery, so I think the difficulties are being overcome.

FOLHA: Is there any project that might speed up the creation of jobs?

Macedo: The biggest program that could create jobs faster is that of civil construction, which is now in full swing. In the second half of 1981, I fought very stubbornly for an emergency program, and I am satisfied. While the government did not adopt the emergency program, it listened to my advice to increase the funding of the BNH [National Housing Bank]. So now we have to implement this policy, which is the start of an employment policy.

FOLHA: When will the minimum wage policy be definitively covered in the wage policy, that is, with a readjustment of 110 percent of the INPC [Consumer Price Index] for all regions?

Macedo: The spirit of the wage law is to give more to those who earn less and less to those who earn more. And we are giving more to the lower minimum wage brackets, but we haven't yet defined the regional index for the next readjustment.

FOLHA: A document recently released by SEPLAN [Planning Secretariat], a survey of 760 small and medium businesses, found that they are all opposed to the semi-annual readjustment and the increase above the INPC for brackets up to 10 times the minimum wage. How do you see it?

Macedo: Heaven knows, I have not been very happy in my pronouncements on the wage policy. I imagine that the small, medium and large businesses are having problems with high interest rates and the increasing cost of raw materials; in the end, they are victims of the inflation. In Brazil the wage pyramid is perverted. In more advanced economies, the ratio between the base and the apex is 1 to 12. In Brazil it is 1 to 60 or 80. This indicates a profound social injustice in our wage pyramid. When we adopt a policy in which those who earn less can earn a little more and those who earn more might possibly earn a little less, we will be building a more equitable wage pyramid. There are those who say the wage policy is conducive to unemployment, but I am convinced that there would be unemployment with or without it. Unemployment is not a result of the wage policy. There is unemployment because sales are off.

Income Distribution

FOLHA: There is criticism that the wage policy has redistributed wage income but not income in general.

Macedo: I think this is true. We never intended to redistribute the nation's income; in fact, the labor minister is not in a position to redistribute anything but wage income.

FOLHA: The charges against the ABC metalworkers under the National Security Law were reclassified and now, under the terms of common law, the charges must be set aside. On that basis, will they be able to return to the union?

Macedo: No. One thing has nothing to do with the other. They are disqualified for union activity.

FOLHA: Under the CLT [Consolidated Labor Laws]?

Macedo: Yes.

FOLHA: Amnesty or dismissal of the charges does not apply to the CLT?

Macedo: No. Union leaders who have violated the rules have been punished by the Labor Ministry. They are still being punished. The Labor Ministry did not prosecute them, under any law. The only responsibility of the ministry was to order intervention and to dismiss the leaders from office, and then to reestablish normality in the Sao Bernardo and Santo Andre unions.

FOLHA: There is no possibility that the minister will grant amnesty?

Macedo: Not while I am minister.

FOLHA: The CLT is in the process of being reformed. Does this include returning autonomy to the unions, for example, eliminating this permanent punishment which the leaders are suffering today?

Macedo: No. We have not yet gotten around to examining this. Today we have reached the point of opting for two codes: a legal code and a labor code. The first is ready, at the point of revision, and I believe that within a month it will be ready to send to the Civil Office of the Presidency to be assessed by the president and forwarded to the congress. The Labor Code is taking a little longer.

FOLHA: Do you think congress could have these codes by next year?

Macedo: I don't know. It is my thinking that it is less important to have a code quickly than to have one that will endure.

FOLHA: But you would like to see it in place by the end of this administration?

Macedo: This is what I would like and what we are working toward. But there are other aspects that must be publicly debated.

FOLHA: Is the government now prepared to allow more participation by the workers in the supervision of the companies and the administration of the FGTS [Service Time Surety Fund], to avoid cases like that of COFERAZ, CIFERAL and others?

Macedo: I am in favor of it. I think there should be a three-way participation in matters concerning employees. It is much easier to correct the errors pointed out by the workers than to maintain total control.

FOLHA: What, besides the minimum wage, will the minister announce to the workers this May Day?

Macedo: We do not work on an "impact" basis. May Day is a day of celebration, but this does not necessarily mean "impacts."

FOLHA: The unions and union federations, including CNTI [National Confereration of Industrial Workers], through its president Ari Campista, are advising the workers to celebrate May Day with protests against the increased Social Security deductions and unemployment...

Macedo: We are all protesting unemployment. But I am trying to do something about it. I think this is the best form of protest. The workers know we are searching for answers, and if we have not accomplished more it is not for want of trying. They also know that we are passing through a difficult time with Social Security; costs have gone up considerably, mainly because of the large number of retirements. I think the best way to protest unemployment is to say that you don't like it, but trust in what the government is doing about it.

6362

CSO: 3001/141

PROSPECTS OF PARTY VICTORIES IN GUBERNATORIAL ELECTIONS VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 82 p 6

[Article by Carlos Chagas]

[Text] For external effect, almost all say that they are going to win everything in the state elections. Through its spokesmen, the Planalto Palace, guarantees that it will elect a minimum of 17 governors. The Brazilian Democratic Movement Party (PMDB) predicts 18. The Workers Party (PT) is counting on 10. The Brazilian Labor Party (PTB) and the Democratic Workers Party (PDT) expect 4 each. Adding them all up, we would have 53 victories but, inasmuch as there are only 23 states, and Rondonia already has the retention of its Social Democratic Party (PDS) governor guaranteed, it is necessary to discount things and look at real results. In this connection, the confidential observations or the private reasoning of the party leaders expressed in secret help a little. Because at his 9 am meeting this week, President Joao Figueiredo received a report in which only 11 states were cited as being in condition for a PDS victory: Maranhao, Ceara, Rio Grande do Norte, Paraiba, Alagoas, Sergipe, Bahia, Espirito Santo, Mato Grosso do Sul, Mato Grosso and Santa Catarina. The others were doubtful at best. Even so, the opposition disputes that, especially with reference to Rio Grande do Norte, Paraiba and Mato Grosso; but just a few days ago, Ulysses Guimaraes admitted before a distinguished audience of Sao Paulo businessmen that only six states were sure for the PMDB: Acre, Amazonas, Pernambuco, Goias, Sao Paulo and Parana. In the meantime, Sao Paulo is regarded by the PTB as a sure bet.

Gathering impressions from all sectors, unless something unusual happened, if the elections were held today, the greatest uncertainties would lie in the elections in Para, Piaui, Rio Grade do Norte, Paraiba, Minas Gerais, Sao Paulo and Rio Grande do Sul, which complicates the numbers further because neither the confidential observations nor the estimates made off-the-record add up to 22. It's anybody's guess, including our own, but first not without an explanation: elections are usually won at the ballot box. Not before or after. Abnormal factors as well as trends that develop at the last minute usually discredit previews and surveys, contradicting predictions, turning victory into defeat, and vice versa. For the first time since 1965, direct elections are going to be held for governor, and even reasonably packaged, the November elections will permit the free expression of the voters. Only he knows, or will know, the final results.

Despite that, today, 25 April, the picture is not very far from the following:

Acre: The PDS candidate is to be selected from among four names: Jorge Kalume, Nosser de Almeida, Geraldo Mesquita and Amilcar Queiros. The PMDB has already nominated Nabor Junior and the PT, Pedro Marques Cunha. It is unlikely that the PTB and the PDT will be disposed to name anybody and victory seems to lean toward the PMDB, despite the active presence of the church on behalf of the PT.

Amazonas: The victory of the cassated former Governor Gilberto Mestrinho is regarded as certain. In recent months, he was first nominated by the PTB, then by the PP and, with the merger, by the PMDB. To face him, Governor Jose Lindoso got a young man, Josue Filho, already picked by the PDS. A few weeks ago, the PT received the support of Senator Evandro Carreira, unhappy with the merger of the PP and the PMDB, to which he belonged, and he will go "to the sacrificial altar," as he says, as the candidate of "Lula's" party.

Para: The situation is confusing in terms of results. The PDS, under the complete leadership of Jarbas Passarinho, candidate for reelection, nominated technician Oziel Carneiro, from Carajas, and the PMDB has nominated Deputy Jader Barbalho. Despite being formally revolutionary, Governor Alacid Nunes who is disaffected with Passarinho, has told his followers to lend their support to the opposition candidate. In order not to let the election go by without participation, the PT has nominated Professor Mario Nazareno Medeiros.

Maranhao: The victory of the PDS is a sure thing whether the candidate is Deputy Edison Lobao, Deputy Luis Rocha or the bionic Senator Alexandre Costa, without discounting the "possibility" of Senator Jose Sarney, the uncontested leader of local politics, who does not want to be a candidate but will be if he does not get a consensus of the three abovementioned prospects. Lobao enjoys more popularity, Luis Rocha will not desist thus far, and Alexandre Costa expects to be the "third" if there is not a "fourth"--in this case, the national president of the PDS. The PMDB has nominated former Deputy Renato Archer, who believes in a swing of the pendulum, and Leonel Brizola's PDT has nominated former Deputy Neiva Moreira. The PT is going with Federal Deputy Freitas Diniz.

Piaui: There is a bitter struggle because, on the one hand, there is former Governor Alberto Silva, first for the PP and now for the PMDB, and on the other, there is the young Deputy Hugo Napoleao, nominated by the PDS. The PT got a Castello Branco for its candidate: Professor Antonio Jose Castello Branco Medeiros, second cousin of former president Castello Branco.

Ceara: What seemed certain runs the risk of becoming doubtful: because of insurmountable wrangles and disputes, the PDS groups of Governor Virgilio Tavora, of Minister Cesar Cals and of Deputy Adaucto Bezerra ended up by "agreeing" on the unknown Luis Gonzaga Motta, from the Virgilio wing. Under normal conditions of temperature and pressure, he should win, but the PMDB candidate, Senator Mauro Benevides, is capable of surprising. The PT has nominated Americo Barreira, an industrial worker, and the PTB and the PDT, nobody.

Rio Grande do Norte: The opposition guarantees that Aluisio Alves, former governor, will be elected; now for PMDB, formerly for the PP. For a decade and a half he was the biggest name in the state, even after his cassation. The PDS is moving toward an agreement between the wing of Senator Dinarte Mariz and that of the Maia family, consolidating Jose Agripino Maia, nephew of Joao Agripino and son of Tarcisio Maia, the former governor. The problem is that if the senator has mouthed the candidate, he has not swallowed him.

Paraiba: The previously obvious victory of Deputy Antonio Mariz, former PP and now PMDB, is beginning to be contested in surveys and previews in favor of the nominee of the PDS, Deputy Wilson Braga. After Marcondes Gadelha left the opposition to join the official party, few dared to make real predictions despite appearances. The PT nominated Francisco Nobrega Gadelha, cousin of the deputy.

Pernambuco: The election of Senator Marcos Freire of the PMDB is certain notwithstanding the activity of Governor Marco Maciel, who ended up presenting the candidacy of Vice Governor Roberto Magalhaes on a slate with the mayor of Recife, Gustavo Krause. It is unlikely that the official machine will beat the candidacy of Freire, established for 10 years. The PTB will come out with Father Mello, and the PT with the industrial worker, Manoel da Conceicao.

Alagoas: Everything indicates the victory of former Governor Divaldo Suruagy, nominated by the PDS with the support of Governor Guilherme Palmeira, who will run for the senate. The candidate for the PMDB is former Deputy Moura Rocha, with the support of Senator Teotonio Vilela, candidate for reelection.

The other parties do not exist, at least thus far.

Sergipe: Deputy Joao Alves ended up being selected by the PDS after a bitter dispute with Passos Porto and Lourival Batista, and will come out in front; the PMDB will call for the sacrifice of Senator Gilvan Rocha.

Bahia: Cleriston Andrade, presented by Governor Antonio Carlos Magalhaes, will win, even though the backing of Francisco Pinto and Waldir Pires for the candidacy of former Governor Antonio Roberto Santos, formerly of the PP and now of the PMDB, raises hopes among the opposition. The PT is participating with economist Edval Passos Sousa.

Espirito Santo: The PDS is facing a crisis because Governor Eurico Rezende continues to veto the aspirations of former Governor Elcio Alvares, insisting on the name of Deputy Teodorico Ferraco. There will be a solution in a few days. The PMDB selected Deputy Gerson Camata, and the PT, Professor Perli Cipriano. Under normal conditions, the government candidate would win but the lack of a decision and the aftermath of the forthcoming solution could alter the picture in favor of the PMDB candidate.

Rio de Janeiro: All the parties will participate in the election. Emilio Ibrahim, for the PDS, will not get to the Guanabara Palace, not even by a miracle, and it is even said that as a reward for his sacrifice, he would later be appointed to the National Housing Bank (BNH). Sandra Cavalcanti, for the PTB, leads the polls, but Governor Chagas Freitas, chief of the PMDB because

of the merger with the PP, seems to fear Leonel Brizola of the PDT the most, as the real opponent of his candidate, Miro Teixeira. In the opinion of the old party boss, the Rio campaign will tend to radicalize and the constituencies reached by Professor Cavalcanti will diminish as the former governor of Rio Grande do Sul increases the volume of his campaign. That is not what the Planalto Palace believes because, even without believing in Emilio Ibrahim, its residents are betting on the PTB candidate to defeat the major opponent, the PMDB. The PT nominated former Deputy Lysaneas Maciel who, despite enjoying popularity in the capital, lacks an organization to popularize him in the interior. For the time being, the advantage belongs to Sandra Cavalcanti. By November, who knows?

Minas Gerais: General confusion continues to prevail. The PDS has not yet decided on one name; wrapped up initially with 11 aspirants, it now must decide between Mauricio Campos of the former National Democratic Union (UDN), preferred by Governor Francelino Pereira, and Murilo Badaro of the former Social Democratic Party (PSD), an indirect senator campaigning for 2 years. But it is still awaiting a "third" who could be Bias Fortes or Ibrahim Abi-Ackel. Eliseu Resende has been eclipsed. The struggle perhaps will end at the convention within a month; but whoever wins, without compromises, will risk being defeated by Senator Tancredo Neves of the PMDB, former president of the PP. That is so if the veteran parliamentarian succeeds in pacifying his legions--or rather if he pacifies Senator Itamar Franco and his group. The PT expects to select its candidate today. As in other states, the PTB and the PDT have not put in an appearance.

Goiás: Make it Iris Resende by a large margin, for the PMDB, with the PDS still wavering among various candidates precisely because nobody wants to stick his neck in the guillotine.

Mato Grosso: The PMDB consolidated the candidacy of Father Pombo despite the orders of Pope John Paul II, and the PDS will come out with Julio Campos, who flaunts the candidacy of his uncle, Ambassador Roberto Campos, for the senate. The predictions are difficult but slightly favor the government.

Mato Grosso do Sul: The semimediieval leadership of Governor Pedro Pedrossian imposed his former secretary, Paulo Fagundes, as candidate of the PDS, which will face Deputy Wilson Martins of the PMDB and former Minister Wilson Fadul for Leonel Brizola's PDT. The PT has just nominated the young Deputy Antonio Carlos. And when all of them say they are in a position to win, it seems to be true, although slightly more favorable winds are blowing for the PDS candidate.

Sao Paulo: All the parties will have candidates. The last one to decide was the PDT, which will nominate the mayor of Osasco, Guacu Piteri, within the next few days. Franco Montoro for the PMDB was considered unbeatable until Janio Quadros emerged for the PTB. In addition, he is facing the competition of Orestes Quercia within the PMDB. The PDS nominee, Mayor Reynaldo de Barros, is not even vying for second place. And Luis Ignacio da Silva, for the PT, will expend all possible effort to elect a large number of state and federal deputies with his votes. He knows that his own personal victory is very difficult to come by although he does not discount it.

Parana: The government itself recognizes the impossibility of victory of the PDS candidate, Saul Raiz, named by Governor Ney Braga. Senator Jose Richa of the PMDB can begin to dust off his inauguration suit because Paulo Pimental, for the PTB, has no base and Edesio Passos of the PT should come in last.

Santa Catarina: It is held as certain that Esperidiao Amin of the PDS will win. He was selected as candidate through the influence of Governor Jorge Konder Bornhausen, who will run for the senate. Despite that, Jaison Barreto of the PMDB swears that he will win; further down the line are Ligia Doutel de Andrade for the PDT and Eurides Mercolloto of the PT.

Rio Grande do Sul: Finally, the contest that seemed to be easy for Pedro Simon of the PMDB threatens to get tight. Alceu Collares of the PDT will divide the votes of the opposition with him, but some of them will stay with Olivio Dutra of the PT. The PDS candidate and still minister, Jair Soares, believes he will win because of the division of the opposition.

8711

CSO: 3001/133

JANUARY INDUSTRIAL PRODUCTION DROPS 12 PERCENT BELOW 1981

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Apr 82 p 35

[Text] Brasilia--The Central Bank revealed in its report for this month that industrial production in January was 12 percent below January 1981, according to the figures of the Brazilian Institute of Geography and Statistics (IBGE). For the accrued 12-month figure, January closed with a drop of 10.6 percent in industrial production compared to the period February 1980 to January 1981: the processing industry showed a drop of 11 percent, while the mining sector increased 3.8 percent.

Sector figures released by the Central Bank show that there was also a drop in industrial production in February and in the accrued figure for the first 2 months of the year. In the first 2-month period, compared to the same period in 1981, the decline was 27.3 percent in the automobile sector, 14.7 percent in the tire industries, 3.3 percent in the cement industries, 17.3 percent in the crude steel sector, and 9.1 percent in the production of rolled steel.

Comparing January 1982 with January 1981, the drop in production amounted to 13 percent in the processing industry, 33 percent in the capital goods industry, 12.5 percent in the intermediate goods industry, and 8.8 percent in the consumer goods industry.

For the accrued 12-month figure, the declines were 20.7 percent in the capital goods sector, 11.9 percent in the intermediate goods sector and 6.5 percent in the consumer goods industries. According to the Central Bank report, the greatest reductions of production in that period were in the transportation material industry (down 29.5 percent), plastic material products (down 23.1 percent) and electrical material (down 18.2 percent). Of the 16 types of processing industry, only three showed an increase in production: pharmaceuticals, 3.3 percent; tobacco, 1.8 percent, and perfumery, soaps and candles, 0.5 percent.

The Central Bank report adds that in the first 2 months of 1982, the industrial consumption of electric energy in the areas serviced by Light, Eletropaulo and Cemig decreased 2.5 percent compared with the first 2 months of 1981.

Industrial Production
(accrued percentage difference from previous same period)

| (1) Período geral | | (2) Extrativa mineral | | (3) Transformação | | |
|----------------------|----------------------|---------------------------------|----------------------|---------------------------------|---------------------------------|----------------------|
| | (4) Doze meses | Acumula- (5) do até o mês | (4) Doze meses | Acumula- (5) do até o mês | Acumula- (5) do até o mês | (4) Doze meses |
| 1980 | | | | | | |
| Dez. | 7,8 | 7,7 | 12,6 | 12,6 | 7,6 | 7,5 |
| 1981 | | | | | | |
| Jan. | 2,2 | 7,6 | -1,8 | 11,3 | 2,3 | 7,4 |
| Fev. | 3,3 | 6,9 | -0,5 | 8,4 | 3,4 | 6,8 |
| Mar. | 0,4 | 5,6 | 1,7 | 7,3 | 0,3 | 5,6 |
| Abr. | 0,1 | 5,2 | 0,3 | 5,3 | 0,1 | 5,2 |
| Mai. | -1,5 | 3,9 | 1,6 | 4,4 | -1,6 | 3,9 |
| Jun. | -3,2 | 2,5 | 1,8 | 3,6 | -3,3 | 2,5 |
| Jul. | -4,5 | 0,6 | 1,2 | 2,2 | -4,6 | 0,5 |
| Ago. | -5,8 | -1,0 | 0,9 | 1,5 | -6,0 | -1,0 |
| Set. | -7,2 | 3,9 | 0,6 | 0,7 | -7,5 | -4,1 |
| Out. | -8,5 | -6,2 | 1,3 | 1,2 | -8,8 | -6,4 |
| Nov. | -9,1 | -8,1 | 1,5 | 1,1 | -9,4 | -8,4 |
| Dez. | -9,6 | 9,6 | 2,2 | 2,2 | -9,9 | -10,0 |
| 1982 | | | | | | |
| Jan. | -12,0 | -10,6 | 23,0 | 3,8 | -13,0 | -11,0 |

Key:

(1) General period
(2) Mining

(3) Processing
(4) 12 months
(5) Accrued up to the month

Source: IBGE Foundation

Source Note: The differences between the indicators "up to the month" and "12 months" for the period January-December result from the definition criteria of the panel of information reporters.

8711

CSO: 3001/133

BANDEIRANTE SALE TO ARGENTINA FULFILLS MILITARY PACT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Apr 82 p 9

[Article by Sao Jose dos Campos correspondent]

[Text] The supplying of military equipment by Brazil to Argentina that could be used immediately in the Malvinas Islands conflict is part of an agreement signed in 1978 between the governments of the two countries and provides for reciprocal cooperation, not only military but also aerospace and technological cooperation, including nuclear. Thus, at the request of the Argentine Government, two Bandeirante EMB111 maritime patrol planes--placed at the disposal of the Brazilian Aviation Company (EMBRAER), the builder of the plane, by the Brazilian Air Force--will be sent to that country within the next 3 or 4 days.

That information comes from aviation industry sources in Sao Jose dos Campos, which added that the sending of the planes was a government-level decision, that is, directly arranged between the air forces of the two countries and that the participation of EMBRAER in the negotiations is "merely formal." Of course, all day yesterday there was intense activity by reporters at the company, trying to confirm if the two planes were already in the factory hangars to be painted with the colors of the Argentine Air Force and also to have their electronic equipment tested before shipment. While the EMBRAER company aide, Mario Leme Galvao, denied the fact, the report circulated among newsmen that the planes were actually at the Aerospace Technical Center (CTA). At the CTA, however, nobody could confirm the truth of the report.

In addition to the two EMB111's, EMBRAER may supply Argentina or any other interested Latin American country another model built by the company: the Xavante, a military training plane which can also be used in air defense. Fourteen of those models also have already been placed at the disposal of the company by the Brazilian Air Force to be sold. It was placed at the disposal of the company by the Brazilian Air Force to be sold. It was learned that some of those Xavantes were being negotiated with Peru and the rest with Argentina. With regard to a possible "three-way Brazil-Peru Argentina deal," sources from EMBRAER said that type of "subterfuge" was not necessary inasmuch as the Malvinas conflict has not been classified as a "state of war." In addition, according to the same sources, the sale of planes to the Argentines has already been released by the Air Ministry.

Yesterday the press was not able to make contact with EMBRAER directors, being informed that the latter were "away from the firm." At around 1600 hours, its director-superintendent, Osires Silva, and its commercial director, Ozilio Carlos Silva, met at the CTA with Brigadier Lauro Ney Menezes, director general of the agency. As of 1900 hours, no concrete information had been obtained about the reason for the meeting.

Despite the secret handling of the matter by the principal local military authorities, EMBRAER sources confirmed the presence of the two EMB111 planes somewhere at the CTA site. Those same sources made it a point to reaffirm the company's position in the matter as merely the transferor of the planes to the Argentine Government.

8711

CSO: 3001/133

AVIBRAS BUILDS PROTOTYPE WIRE-GUIDED ANTITANK MISSILE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 May 82 p 6, 7

[Article by Roberto Godoy: "Brazil Built the First Electronic Teleguided Missile"]

[Text] The immense 30-ton tank appears unexpectedly, the 700-horse-power engine thundering in the morning silence in its efforts to climb over the bank of a stream hidden amid the tall vegetation of a meadow. The powerful 105mm cannon points menacingly at the electronic observation post 1,500 meters away. Easy prey--and the gunner quickly programs the aiming system, aided by a laser beam, for a sure shot at that distance and under those conditions. There is no time. A second roar erupts from the right at the moment the low profile of the tank is exposed. A black arrow streaks across space and 6 seconds later all that remains of the battle tank is twisted metal, flames and smoke.

Two weeks ago one of the Brazilian military ministers flew secretly from Brasilia to Sao Jose dos Campos to attend the performance of the main actor in that hypothetical scene. He saw, as he desired, an impressive war machine: small, nimble, accurate and infallible, built in only 1 year with essentially national technology, the AV/X-1, the first Brazilian electronic teleguided missile, a wire-guided antitank missile produced by AVIBRAS [Aerospace Industry] as the first of a complete "family" of advanced weapons.

Late in the afternoon, the minister could at least follow one actual shot by using the light intensifier for night vision without loss of efficiency. Actually, it is a multiple-use system of the West German Mamba class, which allows the interchange of warheads among various types of the same category, broadly expanding its critical performance. Operation is simple for the potential operator, although it is of a sophisticated technological concept.

In fact, the AV/X-1, in its standard configuration, is fired from the ground by only one man. Guided by a wire, it has a maximum estimated range of 2,000 meters, with an effective operational range of 1,300 meters. An electronic signal travels along that wire, a signal which is similar to that of radio but not subject to interference. The signal guides the device to its target like a model airplane. Control is exercised by means of a portable box in which are installed only two levers for guidance in flight and the optical lens assembly for aiming. There are,

however, other ways the missiles may be used: a multiple ramp for four missiles may be adopted or a rack holding up to a dozen of them which would be adapted for the armored amphibious wheeled vehicle Urutu EE-11, also built nationally by ENGESA [Specialized Engineers, Inc]. Each AV/X-1 will cost between 1 and 2 million cruzeiros complete.

"The introduction of that item into the production line in the country means an increase in the level of skill of the local military industry, which moves from being a mere manufacturer of ballistic rockets to the restricted level occupied by nations which possess the process for making highly accurate missiles," says a former brigadier linked to the research sector. And this is not all. In January 1983 the SID, Integrated Defense System, will be available in the AVIBRAS catalogues. It consists of armored vehicles for joint action. One of them will have large power generators, another will have an electronic board with radars or trackers for fire direction and finally, the rest will have missiles of various sizes and multiple applications. Traveling to the scene of battle at speeds of 100 kilometers per hour, changing position rapidly, the unit, adopted by NATO as standard equipment for the 80's, is one of the most devastating conventional weapons known.

The Initial Project Dates from World War II

Only Argentina and Cuba on the Latin American scene have weapons like the AV/X-1, according to the London Strategic Studies Institute. The Argentine forces use the German Bantam, Cobra and Mamba series, plus a local version, designed on the basis of a program of the transfer of French technology, known as the ATK. There are two Soviet models in Cuba: the Sagger and the Snapper, both late models, whose performance is similar to that of those adopted by the Warsaw Pact since 1965.

The construction of a missile manually guided to the target has been improved since World War II. In the precious German archives captured by the allies, there were sketches of an already proven prototype, the X-7 Rotkappchen, responsible for a considerable number of losses among English and U.S. tanks as of September 1944. The metallic wire of that time was the conductor of a radio pulse, frequently irregular and subject to modulation variations at distances of more than 500 meters under cloudy skies. During the 60's, The Central Missile Commission of the Ministry of the Army in Brazil announced the conclusion of a complete study on a device similar to the French SS.11, with a range of 3,000 meters and a warhead with 4 kilograms of high explosive. The project was discontinued.

Implacable

During the engineering experimentation phase, the AVIBRAS antitank missile known as the MAT, underwent several changes in the original plans, expanding the performance "envelope." Thus, the conclusion was reached that a lower initial velocity allows the operator to assume manual control with more assurance. However, the final velocity of impact became much greater. A simulator for training personnel was developed at the same time and will be provided as an optional accessory to buyers. "The prospects for selling the X-1 on the international market are immense," believes Sales Director Pedro Vial. He makes this analysis on the bases of the normal production rates of that type of armament, of which each series has averaged sales of 130,000 units.

The missile, which is propelled by solid fuel (Composite, a mixture of sodium perchlorate and a petroleum byproduct), is 95 centimeters long, 120 millimeters in diameter and weighs 11 kilos under actual use conditions. It registered 100 percent success in tests.

Probable Technical Characteristics

Type: Antitank, ground-to-ground weapons system.

Guidance: Wire controlled, with the aid of an optical unit for aiming.

Operation: Control stick-type levers which act upon aerodynamic spoilers installed on the ends of the stabilizing fins.

Propulsion: Composite solid fuel nationally produced. Rocket engine in a single pod.

Warhead: Three kilograms of high explosive (HE), hollow charge for the piercing of 475-millimeter armor. Possibility of interchanging offensive warheads of various models in the future.

Length of missile: 9.55 centimeters [as published, presumably 95.5cm].

Maximum diameter: 12 centimeters.

Span: [presumably of fins] 40 centimeters.

Launching weight: 11.2 kg.

Maximum velocity: 140 meters per second.

Effective range: 300 to 2,000 meters.

Time of flight: 500 meters in 6 seconds; 1,000 meters in 10 seconds and 2,000 meters in 17.5 seconds.

Maximum weight of missile and accessories: 18 kilos.

Maximum weight of firing unit: 26 kilos with cable and interface.

Individual "kit": 4 units in a crate.

Average international price: \$6,000.

Devastating Defense System

As a second priority for construction by AVIBRAS, with a prototype scheduled in early 1983, is the SID, a very advanced concept in war materiel adopted in the Soviet Union in 1942 and temporarily abandoned until the United States and the NATO countries rediscovered the possibilities of that unit. That proposed by AVIBRAS is the first attempted by a developing country.

The mobile units must be installed on armored vans--nationally built--whose services complement each other. For example, one vehicle carries the powerplant, while another serves as the command post and carries the fire control board with identification-detection devices (radars, sensors, electronic searchers and filters to compensate for countermeasures aimed at "blinding" enemy ground radar), and finally, there are the main trucks which carry the rockets and missiles.

Thus, a standard SID configuration would consist of a certain number of vehicles on which would be placed, as options, several types of vectors ranging from the SS-60 (the largest semiballistic rocket in production in South America, 300mm caliber, 68-kilometer range, 146 kilograms of explosive charge), to the SBAT-70 (7.5-kilometer range, 4 kilograms of warhead charge), the SBAT-127 (15 km, 20 kg) and the SS-40 (40-km range, 35 kg of high explosive).

In the control section, reading of the situation board will allow the making of a correct evaluation of requirements, establishing coordinates for the type of weapon needed: A rain of fragmentation rockets on deploying enemy troops, or a single long-range missile with multiple warheads on the operations base of an armored battalion. All this also allowing the combination of two simultaneous attacks together with a defensive antiaircraft activity. The main characteristic being the extreme mobility of the group, which after operating for 15 minutes at a certain spot, moves rapidly to a new position in the battle theater, multiplying its effect and neutralizing a possible attempt at "hunting" it down by enemy forces.

"There is little left to be done to accomplish that," says engineer Vial, "basically, a selection at the two ends of the process: The selection of the transporting vehicles and an evaluation of electronic development." That means that priority will be given to providing the gigantic SS-60 (derived from the X-40 made at the Military Engineering Institute for the army) with a guidance box, even if it is primitive, and to accelerating efficiency tests of vans requested from various manufacturers in Sao Paulo. The result should be a hybrid: Different chassis, motors and armor.

Later, Antitank Rockets and a New Bomb

Along the same line of advanced weapons, AVIBRAS has all the other elements of the new "family" scheduled in steps which extend to the end of this decade. By the middle of next year, the SETA, an antitank unguided rocket launcher, and the AV/BP-250, a penetrating bomb designed specifically for airport destruction missions, will be in production. Subsequently, or "even before if there is the pressure of demand," according to Pedro Vial, there will be the first air-ground missile guided by television of the HOT European class, manufactured by a consortium headed by Euromissile.

Finally, the first medium-range missile of the U.S. Pershing type, 10 meters long and 1,000mm caliber, with a radius of action of 700 kilometers, will be developed. The idea is to develop a conventional weapon with multiple warheads of 30 to 150 kilograms of high explosive. However, it is necessary to consider that in the United States that type of platform is adopted as a nuclear vector with a capacity of 400 kilotons.

The small SETA will use a shortened version of the SBAT-70 and its main quality is the fact that firing, accomplished with a tube similar to a small bazooka, makes no noise or flame. The AV/BP-25 bomb carries a 50-kilo charge and is dropped from low-level flight on the takeoff runway of the enemy base under attack. During its fall, an aerodynamic metal brake slows down the rate of fall and establishes an ideal angle "felt" by an electronic sensor which at that moment fires a small rocket, hurling the bomb against the concrete into which it penetrates 40 centimeters before exploding, destroying 250 square meters of paved area. The antitank missile of the HOT type has an effective range of 4,000 meters and has a 6-kilo warhead. At the end is a transparent "window" behind which is the television microtransmitter which sends pictures to the launching helicopter, allowing on-course corrections to the target.

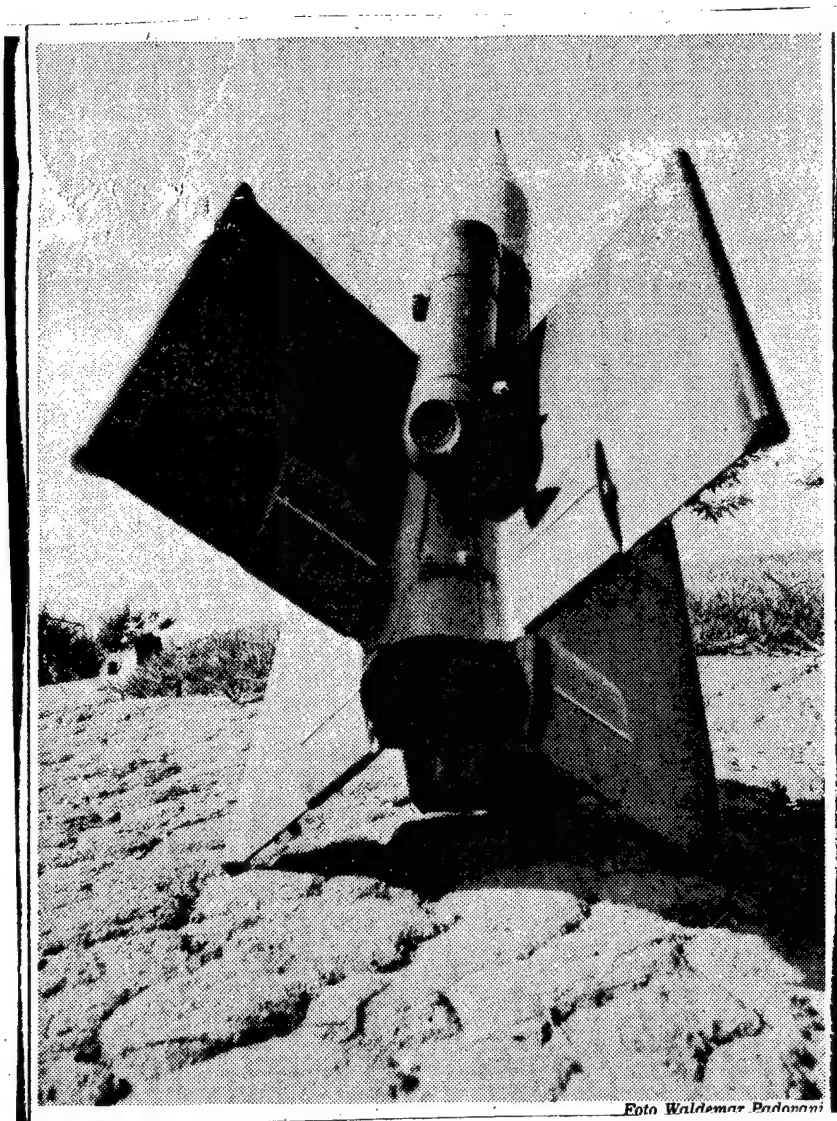
The main link in this chain, however, is the SID, adopted through the world. The details of the project, still preliminary, stipulates some parameters such as the minimum time required for going into action--estimated at 3 minutes--and the storage capacity for rockets/missiles, which has been placed at between 90 and 100 units. A study made by the Italian company Snia, producer of the FIROS, a similar weapon, believes there is a potential market in the Middle East, Asia and Africa for about 30,000 units to be sold in the next 10 years.

There Will be 13 Autonomous Plants

In the middle of a dirt road, after a sharp curve, is an old sign warning: "Caution! Animal-drawn vehicle traffic." Then there is a slope and what appears next is not the spectacle of carts typical of the Vale do Paraiba rural zone, actually it is the largest rocket and missile plant of the West, AVIBRAS Plant No 2, built in record time throughout the 130 alqueires of an old plantation bordered throughout by the Santa Branca dam.

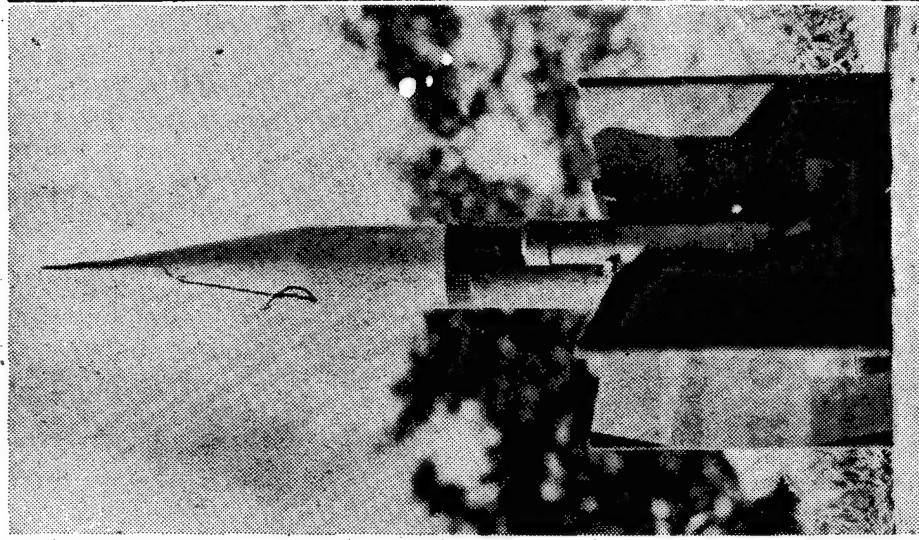
It is there, among that splendid scenery and the remains of coffee, corn or vegetable crops, the company is installing 13 strictly autonomous plants linked only by the supplementary functions of each unit. "We are putting up 400 square meters every 15 days," says the former prefect of Sao Jose dos Campos, Sergio Sobral, superintendent of that work, who believes "The most interesting challenge here was that of transforming the brush and scrubland into a missile industry."

The program was personally established by AVIBRAS President Joao Verdi de Carvalho Leite, who according to Sobral "is a creative person. He created a nonflammable chemical resin which takes the place of walls covered with aluminum in buildings where explosives will be handled. If an accident were to happen, there will be no slivers flying in all directions." He is right. Only an ingenious businessman could have transformed the apparently unsuccessful undertaking of 1963, in which a fire destroyed the site where the prototype of the Saci utility aircraft powered by a Volkswagen 1200 motor was being built, into the technological and financial success of today.

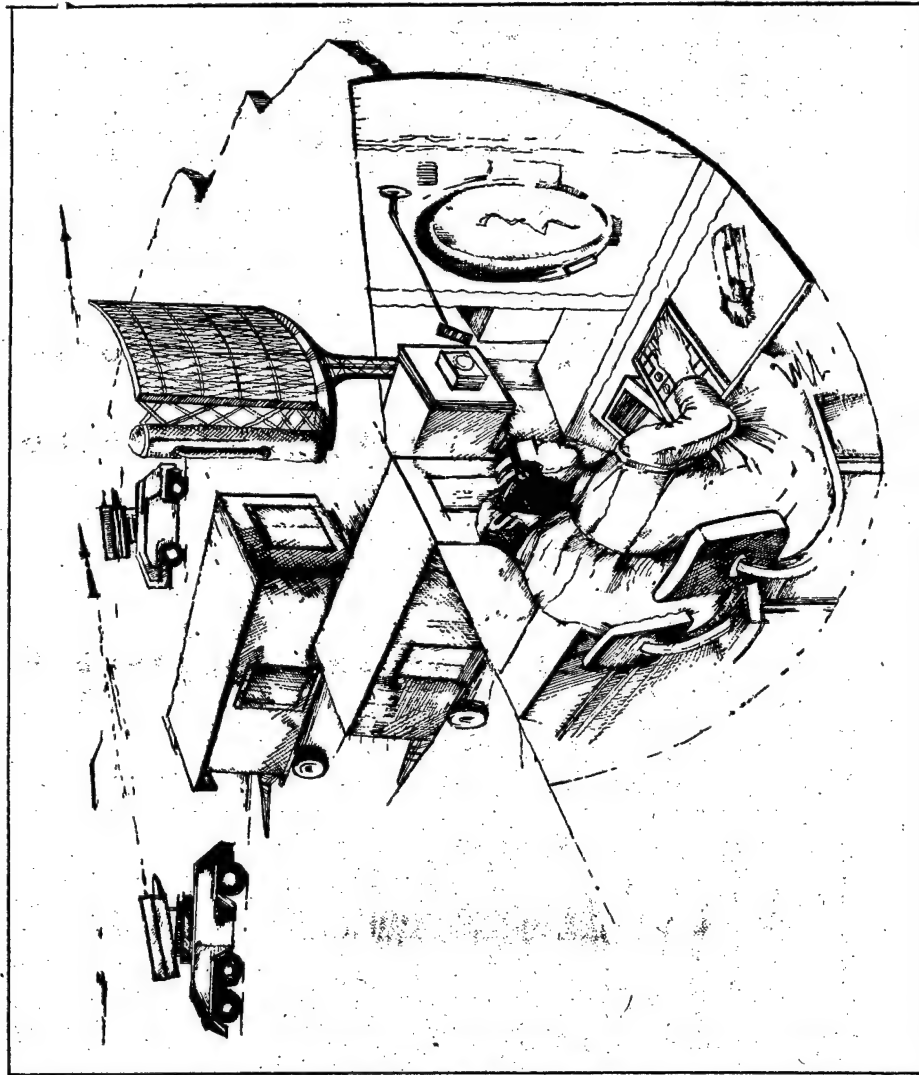


Edto Waldemar Endonani

The AV/X-1 is a pioneer of a "family" of advanced weapons



The AV/X-1, small, nimble, accurate and infallible



The SID, one of the most devastating conventional weapons

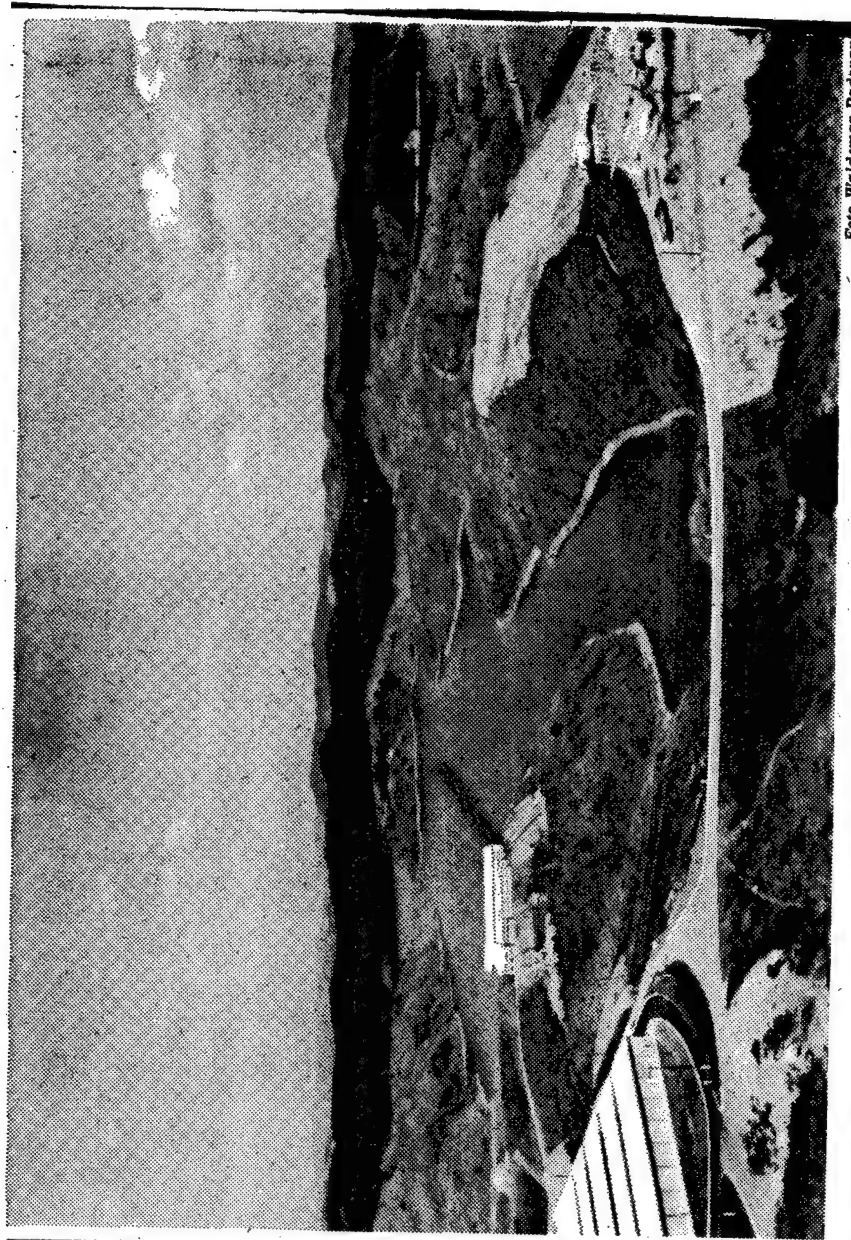


Foto Waldemar Padman

AVIBRAS will produce 25,000 rockets per month in the new Vale do Paraiba plant

The latest AVIBRAS accounting shows that exports, which were \$4.5 million in 1980, rose to \$35 million in 1981 and should exceed \$90 million this year. The profit of 218 million cruzeiros reported in 1980 rose to 4 billion cruzeiros in the past fiscal year. Of that total, 1 billion cruzeiros is being used for the new manufacturing unit. Probably without an inauguration ceremony "for reasons of security," AVIBRAS No 2 will begin activities by November with approximately 2,000 employees, more than double the 900 now employed. "We are going to activate the Advanced Training Center for all levels of our personnel simultaneously," explained Pedro Vial.

Adopting a policy of secrecy with respect to strategic information on production, AVIBRAS does not reveal its new potential for production. Official sources linked to the sector believe, however, that it will be possible to produce 5,000 units each of the smaller SBAT-70 and SBAT-127 rockets, in addition to 1,000 SS-40's, 200 SS-60's and 1,000 fragmentation or napalm bombs per month.

8908

CSO: 3001/134

SIGNS OF ECONOMIC RECOVERY SEEN INTENSIFYING

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 May 82 Atualidad Economica/Trimestre p 74

[Article by Antonio Carlos de Godoy: "Signs of Recovery Accentuated"]

[Text] The performance of the Brazilian economy during the first quarter of this year allows the identification of a trend toward recovery in the industrial sector, more accented in some branches (automobile, and some segments of the domestic electric and electronic utensils), weaker in others (foundry), and almost inexistent in the area of capital goods because of a decline in private investment, which is inhibited by high rates of interest and high rates of idleness.

However, the return to pre-recession production levels is much slower than the abrupt decline recorded last year. In other words, the descent into the valley was much faster than the present climb out of it.

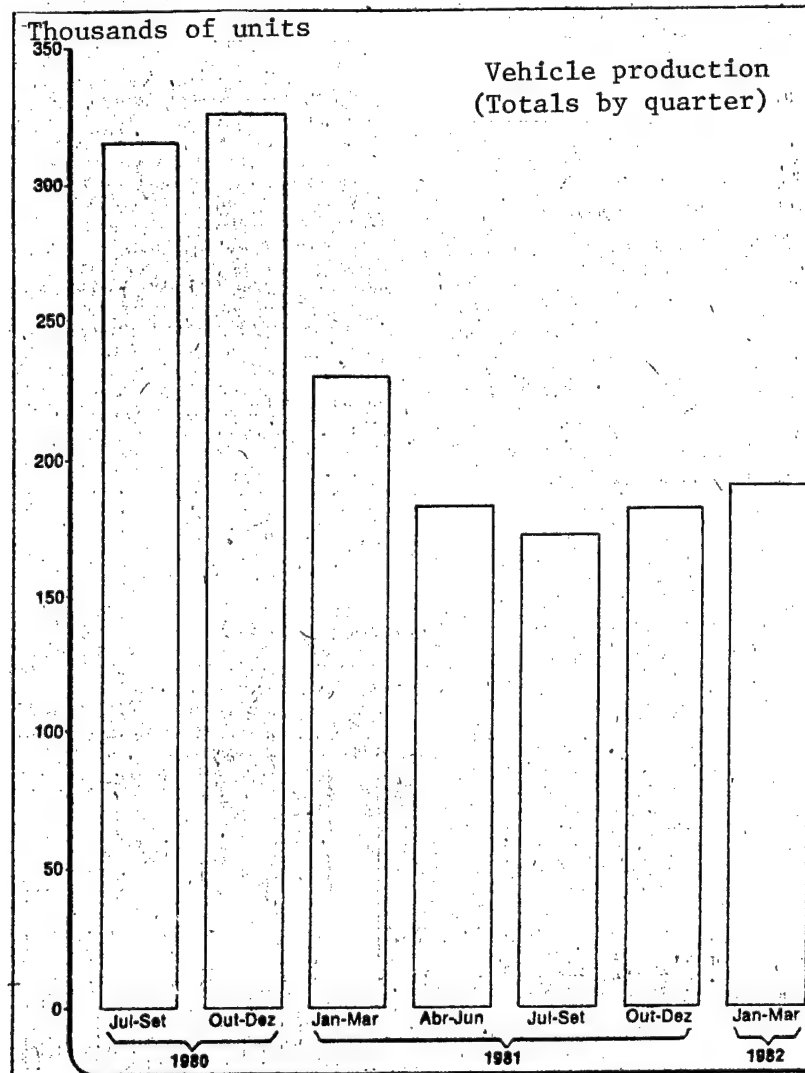
Unfortunately, unemployment figures in the metropolitan regions do not yet show significant changes and the rise in those figures in March was relatively small. In the automobile industry, for example, a small fraction of those laid off last year have returned to work. Several industrial segments have not yet been affected by the recovery process and the general picture, it could not be otherwise, is still dominated by several types of uncertainties. However, the climate of pessimism and apprehension which prevailed some months ago is beginning to give way to an attitude of prudence and an expectation of a gradual improvement.

Authorities in Brasilia seek to maintain the same basic lines of monetary and tax policies carried out last year but with greater flexibility. The reduction of the IOF [expansion unknown] on credit to the consumer represents a clear signal that the economic team is seeking to fine-tune those instruments in order to facilitate a better performance of the economic system during the year without endangering the priorities established at the end of 1980 (reduction of the inflation rate and an improvement in the balance of payments).

With the foreign debt at around \$70 billion (including short-term debts) and international interest rates between 15.5 and 16.5 percent, it is natural that the weak performance posted by exports in this first quarter caused concern (meanwhile, the result of the trade balance was positive, reaching \$153 million). The decline in prices of the main agricultural products exported by the country, the recession in the United States and the retraction in the world economy harmed Brazilian foreign sales at the beginning of this year. The main favorable element in the trade balance was the real decline in the price of petroleum, which accounted for over half of imports in the first 2 months of the year.

While inflation in the January-March period reached 21.8 percent (or 91.5 percent in 12 months), monetary devaluation remained somewhat behind with a rate of 19.9 percent. Still in the first quarter, the amount of means of payment declined 6.4 percent, and total loans by the monetary system increased only 13.5 percent.

The news of the quarter was the complaint by a banker against the monetary policy, which at the same time increases and limits bank profits by keeping domestic interest rates at a higher level than foreign rates while imposing limits on the granting of loans.



Automobile Industry

Production: The number of units produced has been increasing for two consecutive quarters. In the January-March period, the industry manufactured 189,537 units, compared to 183,143 units in the last quarter of 1981. There appears to be a stabilization, therefore, of the recovery trend already noted at the end of last year, strengthened by the incentives granted to alcohol-fueled vehicles, the lowering of interest of loans to consumers and the availability of new options for the consumer. Sales on the domestic market increased in March, presenting the following change: January 48,529, February, 48,093 and March, 57,707.

Sales on the domestic market numbered 154,329 units (149,179 in the October-December period).

Exports: Despite having been fewer than those recorded in the first quarter of last year, foreign sales in the January-March period numbered 48,778 vehicles, exceeding the number of units exported during the last quarter last year (43,816).

Employment: Assembly plants began hiring personnel again, rehiring some workers dismissed last year.

Prospects: After the goods results in March, it is believed there will be a stabilization of the market in the second quarter and there is also talk already of increased sales.

Tires

Production: It increased 17.2 percent in the first quarter but sales declined 9.5 percent with respect to the October-December period last year.

Exports: Sales to foreign markets increased 9.8 percent by comparison to the total exported in the last quarter of 1981.

Employment and Investment: The number of people employed by the sector declined by .9 percent. There were no significant investments.

Prospects: Performance of the sector should improve in the present quarter (April-June).

Machines and Equipment

Production: It declined 10.5 percent in the first quarter (considerably more than the 7.3-percent decline in the same period in 1981). Therefore, the decline at the beginning of this year was accentuated. Deflated sales declined 11.3 percent (compared to 20.4 percent in 1981). Those figures reflect the performance of the machinery products industry. According to a source of the sector: "The sector's performance during the first quarter is the result of the lack of sure indications of the recovery of the economic activity of the country...investments in machinery are minimal."

Employment: It fell 2.4 percent in the quarter, with the dismissal of 5,000 people. In 1981 the decline was .3 percent in the same period, with the dismissal of 700 people.

Prospects: The possibilities of recovery for the second quarter are not good because of the rate of idleness in factories, decapitalization of companies and high interest rates. Therefore, it will not be possible to invigorate sales of capital goods in the short term. That means the continuation of the decline in employment levels in the sector or, in the best of cases, a reduction in the rate of its decline.

Foundries

Production: It increased 5.1 percent in January and February. Despite that growth, production levels remain low, reflecting high idleness in the sector.

Problems: Accentuated increases in prices of main materials used, financial difficulties and inventories of cast parts in businesses.

Prospects: A moderate increase in production and employment is expected in the present quarter, in addition to a slight improvement in the financial situation of the sector.

Railway Industry

Production: There was a decline of 70 percent in the production of freight cars, which went from 273 units in the last quarter of 1981 to 83 in the January-March period. The number of passenger cars also declined 25 percent, falling from 70 to 53 units. Despite the increase of 193 percent in locomotive production--44--sources of the sector report that it is because of the last order made by the RFFSA [Federal Railway Network] (the second quarter of this year should be very difficult for this sector).

Exports: There are no figures as yet, only some indications that unemployment in the quarter was lower than that noted in the October-December period last year.

Problems: The sector was surprised by the defeat of a national company in the bidding made in the metropolitan region of Porto Alegre.

Employment: The number of people employed by the sector increased from 13,414 to 13,504 persons.

Prospects: The general picture for the sector should not undergo great changes in the present quarter because of the high rate of idled capacity.

Paper and cellulose

Production: The amount of paper produced declined 797,000 tons or 3.1 percent. Only wrapping paper showed a positive growth rate (.3 percent). In the area of cellulose, the decline was 26,000 tons or 3.8 percent. Domestic paper sales remained stable with only .1 percent increases.

Exports: There was a decline in foreign sales in paper (-6.3 percent) and cellulose (-6 percent).

Problems: There was a slight recovery of some segments but performance of the sector in the first quarter continued to suffer great pressures from the decline in demand and high financing costs.

Employment and investments: The employment level increased 1.6 percent in the quarter and investments were limited to energy substitution programs.

Prospects: The recovery in the sector should proceed slowly. White and wrapping paper should show a greater increase than that shown in the first quarter of 1982.

Real Estate Market

Production: No quantitative information received. However, sources of the sector reported that production of new housing units continued to grow in the quarter, primarily in the case of buildings costing up to 6 million cruzeiros. March was a very good month for sales of units up to 2,250 UPC (3.27 million cruzeiros) [UPC is a standard unit of capital].

Favorable factors and problems: The principal favorable factor was the decline in passbook interest rates which encouraged investment in buildings. The lack of financing for the middle class continued however.

Employment and investments: These increased in the first quarter because of projects approved in the previous period.

Prospects: Sales and investments should continue to grow in the second quarter. The National Housing Bank [BNH] should release more money for the COHABS and INOCOOP [Low cost and cooperative housing companies] and the housing loan associations should renew financing of companies and borrowers after 4 months of almost no activity. The prospects of opening financing for used buildings by the Federal Savings Bank should help to improve sales in the April-June period.

Engineering

Production: Stable with a slight increase in March.

Favorable factors and problems: The institution of the Grande Carajas Program is helping the sector but there were also some unfavorable events such as the postponement of the work linked to Plan 2000, the trend toward the reduction in the cost of petroleum, which reduced the emphasis on programs for fuel substitution; increases in industrial idleness, delay in new investments and delay in payments by state customers.

Employment and investments: They increased in the quarter but there are no figures available on the subject.

Prospects: Production and employment could increase in the second quarter.

Banks

Operations: Demand deposits decreased 9.4 percent in the first quarter in nominal terms. Taking the inflation in the period (21.8 percent) into consideration, that decrease becomes very significant (-26.6 percent). Analysts of the banking sector attribute that weak performance to the monetary policy "which curbs the creation of bank money by the banks." Overall loans in the same period increased 20.1 percent in nominal terms, which represents a real decline of 1.4 percent. Despite the limits imposed on the expansion of credit with cruzeiros obtained internally, the banks turned to other sources of money (internal and external transfers) to obtain that performance. The nominal rates of growth for the first quarter by month were: January, 6.8 percent; February, 5.2 percent and March, 6.9 percent.

Liquidity: Daily averages taken monthly of liquidity loans were slightly higher than the averages of the previous quarter, lower, however, than the averages of the like period in 1981. "The existence of greater availabilities in the bank network," says an analyst, "is the direct result of restrictions on credit. Observing the daily average of liquidity loans by the month throughout 1981, we note a nominal decline at the level of one-third by comparing December 1981 to January of the same year. This figure is very representative because we cannot forget that inflation in that period was around 95 percent."

The placement of public debt bonds continues to be the preferred financial instrument used to "dry up" liquidity. In the first 2 months of the year alone, the net sale of bonds reached the figure of 47.5 billion cruzeiros. This comment was made by another analyst of the banking sector: "The monetary policy has effects which may be considered contradictory with respect to the level of activity and the results of the banking sector. On one hand, the use of varied mechanisms to maintain the cost of domestic borrowing at a level higher than foreign borrowing favors the profitability of financing institutions. On the other hand, those mechanisms, among which that of conditioning credit is prominent, contribute to the reduction in the level of activities and to the reduction in profitability itself in the degree in which the amounts of free investments declines in commercial banks because of compulsory investments (rural and small and medium business loans).

Employment and investments: There was no significant change in employment in the first quarter. Investment in the expansion of branch offices continued, expansion which is contingent on the issuance of charters. The programs of some banks for the installation of electronic branches is worthy of note.

Prospects: Activities of the sector will remain limited by conditioning of credit.

Electric-Electronic Industry

Production: Despite the recovery of some areas during the first quarter by comparison with the same period last year, the electric-electronic sector remains in overall terms at a level of activity below that of the beginning of 1981.

Exports: It is maintaining an adequate rate of expansion, perhaps reaching \$1.4 billion, with an increase of 30 percent over the total of 1981. However, the international situation, marked by uncertainty and by protectionism, could cause problems for foreign sales.

Employment and investments: The level of personnel employed in the electric-electronic industry at the end of February 1982 indicates the maintenance of the level of employment existing at the end of the year.

Problems: Difficulty in obtaining money from the financing sector; high interest rates, high rate of delay in payments owed by state companies and administration agencies.

Prospects: See chart with forecasts for second quarter.

Status Report on the Electric-Electronic Sector

Sales Indicators (Estimated)

| Items | 1st Quarter 82 1st Quarter 81 | 1st Quarter 82 4th Quarter 81 | *2d Quarter 82 2d Quarter 81 |
|--|--|---|---|
| Antennas | +20% | +50% | +20% |
| Portable electric household appliances | + 9% | -13% | higher |
| Electronic household appliances | slightly higher | slightly higher | slightly higher |
| Electronic components | -30% | + 5% | -20 to -30% |
| Air conditioners | -22% | -44% | - 4% |
| Medium and high voltage circuitbreakers | Orders rec'd-30% Production -20% | Orders rec'd-10% Production -10% | Orders rec'd-20% Production -15% |
| Power equipment for telecommunications | Orders rec'd-30% Production -30% | Orders rec'd-30% Production -25% | Orders rec'd-40% Production -20% |
| Rotating electrical equipment for vehicles | -10% | higher | + 5% |
| Handheld electric tools | + 6% | higher | +10% |
| Stoves | + 2% | -17% | + 5% |
| Electrical installation material | +10% | + 5% | -10% |
| Electric motors | Reduction of 35% in orders of mass-produced motors and 30% in special order motors | Sales show mass-produced motors up around 1 to 5% while special order motors sales were stable. | Prospects are that mass produced motors will suffer declines of about 35%, while special order motors will decline from 30 to 40% |
| Electrical panels | Orders rec'd-30% Production -20% | Order rec'd-10% Production -10% | Orders rec'd-15% Production -15% |
| Refrigerators | -11% | -14% | - 3% |

Transformers

Distribution: orders
rec'd show decline of
15%

Power: Orders rec'd
show stability

Distribution: orders
rec'd show decline of
about 20%

Power: orders rec'd
show stability

Distribution:
orders rec'd
should show a
decline of
25%
Power: Orders
rec'd show a
25% decline.

Commerce

Activities: The declining trend noted in sales in 1981 continued at the beginning of the year but in March some areas such as automobile retailers and domestic electric electronic appliances showed a reaction. Consolidated figures for business in the Sao Paulo metropolitan region should be revealed in coming days.

In the area of supermarkets, quarterly sales should have fallen between 10 and 20 percent in the first quarter compared to the October-December period.

Prospects: According to well-informed sources, the difficulties of the retail trade should continue until the middle of the year but could decline with the recent steps taken by economic authorities to stimulate credit sales.

Food Industry

Production: Stable with some signs of reaction curbed by the high levels of inventories. There was a decline in production in that agricultural industry, which has soybeans as a raw material, because of the between harvest period. Prices of soybean meal and oil will rise because of a lesser availability.

Exports: A poorer performance than that of the first quarter of 1981 caused by low commodity prices.

Prospect: Slight improvement in second quarter.

Footwear

Production: Decline of 20 percent by comparison with the last quarter of the year. Sales should have fallen at the same rate. In the first three months of the year there is normally a reduction in business.

Exports: A decline of 20 percent with respect to the exported value of the October-December period. The threat of a surcharge on Brazilian shoes in the United States harmed foreign sales.

Problems: An increase of more than 100 percent in the prices of leather in the past 6 months.

Prospects: The holding of the two main fairs of the sector should invigorate sales by the industries to the retail trade. On the foreign market, if rates are reasonable, business with U.S. importers should return to a satisfactory level.

BRIEFS

GDR TECHNOLOGY FOR PORT CRANES--Brasilia--Arno Markus, president of PORTOBRAS Brazilian Ports Enterprise, reached agreements with directors of the firms Bardella, Villares and Torque to sign contracts for delivery of 46 port cranes, which will be manufactured with technology supplied by the GDR firm Tarkaf. PETROBRAS and the national firms agreed to the following distribution of the orders: Bardella, nine 3.2-ton cranes and eight 6.3-ton cranes; Villares, fourteen 6.3-ton cranes; and Torque, fifteen 2.3-ton cranes. According to Markus, the cost of the 46 cranes is estimated at \$4.5 billion cruzeiros, at today's prices, and final delivery is scheduled by 1985, according to the PORTOBRAS timetable accepted by the national firms. Markus explained that Tarkaf will provide the technology within the framework of the trade and cooperation accord between Brazil and the GDR. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 May 82 p 23] 6362

CSO: 3001/141

NATIONAL POLICE BREAK UP POLITICAL WIRETAP OPERATION

Danto Domingo LISTIN DIARIO in Spanish 7 May 82 pp 1, 12

[Article by Antolin Montas]

[Text] The National Police issued reports about the existence of a spy network devoted to tapping the telephones of prominent Dominican personalities, including the president of the republic and chief political leaders.

The chief of police, Maj Gen Jose Paulino Reyes de Leon, confirmed that the private telephone in his home had also been tapped as part of the espionage operation.

He announced the detention of several persons, including a technician of the Dominican Telephone Co (CODETEL) who was in charge of connecting the lines.

Day before yesterday, former President Jaun Bosch denounced the fact that the telephones of public officials, including President Antonio Guzman, National Police chief Maj Gen Paulino Reyes de Leon and former President Joaquin Balaguer, as well as his own, were being tapped under the direction of the Electoral Vanguard (AE).

Yesterday, the AE rejected the accusation and denied having any connection with the persons involved in the activity.

Maj Gen Reyes de Leon did not give concrete details about the purpose of the espionage operation, adducing that the pertinent investigations are being conducted in this regard.

He displayed a number of objects, including recorders, tapes and other devices, used in the tapping of telephones.

Reyes de Leon introduced Frank Felix Hernandez de la Paz, technician of the CODETEL, to the press. Hernandez de la Paz confirmed that he was approached by Cabral Calcano and his friend, Guillermo Emilio Grullon Gavilan, to tap a number of telephones.

He explained that in the beginning, Cabral Calcano and Grullon Gavilan told him that the purpose was to set up some communications among friends in order

to be able to find out numbers for the games of "caraquita" and "pale." Later on, however, he found out that the purpose was to tap the telephones of political leaders and other persons, as well as that of the chief of the National Police.

He said that he became aware of the true purpose when he had to tap the telephone of former President Juan Bosch, and that was when he decided to quit. On that occasion, however, he was told that if Dr Salvador Jorge Blanco won, he would get a good job and money. He added that later, he again decided to quit, but that time he was threatened with death and had no choice but to keep on tapping telephones.

The telephone of police chief Maj Gen Reyes de Leon was tapped by means of an extension installed near an exchange, in a two-story house located at 152 Miguel Angel Monclus St, in the Mirador Norte section. The telephone of former President Joaquin Balaguer was being tapped from a dwelling on Cesar Nicolas Penson St, where Adda Emilia Ricourt de Brea was arrested.

The CODETEL technician had been working in the technical department for 11 years. He had been working in the installation of lines ever since he joined that company.

To make the necessary verifications and in order that public opinion be properly enlightened, the police asked the representatives of the various news media to monitor the calls made from several of the telephones. Police headquarters even arranged for some newsmen to receive calls on their private telephones to confirm their information.

To that end, newsman Ramon Valazquez of ULTIMA HORA called the home of the chief of police, where newsman Antolin Montas of LISTIN DIARIO and Radio Comercial received the call. Newsman Raschid Zaiter of RAHINTEL verified the interception at 152 Miguel Angel Monclus St, in the Mirador Norte section, from where the telephone was being tapped.

During the operation, newsmen Ramon Velazquez, Antolin Montas and Raschid Zaiter contacted one another over telephones that were installed at considerable distances apart. The activity was observed and the conversation was monitored and recorded by newsmen of all the news media of the country.

The public relations officer of the police, Col Jose Rijo, was most cooperative, offering facilities to the reporters seeking information and details about the case, as well as the telephones. CODETEL technician Frank Felix Hernandez de la Paz showed the newsmen how the telephones were tapped. The police displayed a number of devices that were used to make the recordings.

The investigations to uncover the perpetrators of the telephonic espionage are being conducted by the Counterfeiting Department of the police, which is headed by Maj Jesus Esperanza Severino.

Following is the text of the National Police report concerning the telephonic espionage:

"The National Police Headquarters reports that investigations conducted by the investigative departments of the institution determined that the private telephone in the residence of the chief of the National Police was tapped. It was established that for such a purpose, a line was installed from a telephone pole near the residence in question to the living room of the house located at 152 Miguel Angel Monclus St, in the Mirador Norte section of this city, residence of Luis Leonardo Martinez Guzman, where the calls made on the telephone of the chief of the National Police were recorded with the use of a recording system and an electronic box known as Tele-record, which serves to amplify and modulate telephonic conversations. The National Police seized tapes that confirmed the recordings.

"This investigation led to the detention of the owner of the house, who stated that the installation had been made by electronic technician Guillermo Emilio Grullon Gavilan, who has a shop at 352 Santome St, in the San Lazaro section of the National District, and line technician Frank Felix Hernandez de la Paz, who is employed by CODETEL and resides at 16 Vista Hermosa St, kilometer marker 7 1/2 of the Mella Road, under the direction of the well-known telephonic spy Frank Cabral Calcano, who maliciously violates the privacy of individuals by tapping telephones to peddle the information and extort the people.

"Interrogated in this connection, Frank Felix Hernandez de la Paz said that he had been engaged by the aforementioned Frank Cabral Calcano and Guillermo Grullon Gavilan, and that in addition to the telephone of the chief of the National Police, the same system was being used to tap several other telephone lines of political personalities, such as in the residence of Dr Joaquin Balaguer, whose recording system was installed in the living room of Apt 21, on the second floor of 143 Cesar Nicolas Penson St, residence of Adda Emilia Ricort de Brea, who is under arrest; in the residence of Prof Juan Bosch, monitored from the second floor of the house at 6 Caonabo St, in the Gascue section; and in the residences of Dr Donald Reid Cabral and engineer Jana Tactuk, monitored from the upper floor of the Pasteur Medical Center located at 153 Pasteur St, Gascue, in the National District, from where the aforementioned Frank Cabral Calcano directed his spy nets using a purported dentist's office as a cover for his activities. All of those places were searched and complete recording systems were seized."

8414

CSO: 3010/1509

PROBLEMS IN FALKLANDS CONFLICT DESCRIBED

Santo Domingo EL NACIONAL in Spanish 2 May 82 p 8

[Editorial: "The Malvinas or the Conflict of Rights"]

[Text] On the occasion of the problem of the Malvinas, the historical circumstances of the nations in discord over territorial claims--Colombia, Chile, Venezuela, Spain--have brought to the fore the powerful contradictions of two principles that are considered fundamental in modern public law.

On the one hand, the use of force to assert rights is condemned in general terms, and on the other, the illegal occupation of sovereign territories by foreign powers is repudiated.

The Rio de Janeiro Treaty of 1947 seems to reconcile the two apparently contradictory doctrinal facts. In one of its articles, the treaty signed in the [former] capital of Brazil provides for the disapproval of the behavior of the unfair aggressor, but places great emphasis on the opening of diplomatic channels to achieve harmony and good understanding by peaceful means.

Up to that point, there seems to be an insistence on the elimination of the possibility of an armed conflict, of the brutal use of force. But it happens that shortly after that, the hemispheric foreign ministers, meeting in consultation could even authorize sanctions shifting from the economic to the military realm.

Proceeding in this fashion, it could be said that the two principles which seemed to counter each other are combined, but in this manner public international law is disarmed, as usual, giving way to an international policy that will be continually on the side of force and affluence.

That last situation befits the remarks of Bismarck when he said, pointing to a cannon, "there is the guardian of the peace of Europe," and of the Englishman Lord George, when he said that "in every war, the last bullet is made of silver."

At this time, the OAS--except for four abstentions--seems to favor the principle that combines the eventual use of force with the exercise of diplomacy. On the other hand, the UN--created to prevent the scourge of

war--adheres to the principle of outlawing acts of war and promoting negotiations that will bring about peace.

This is the predicament facing various nations, a plight which overwhelms, of course, those that have no other might than right and perish at the hands of those that wield the right of power.

Thus, the pathetic expressions of emotions and patriotic sentiments now come into play.

Since when has Argentina been claiming the Malvinas at the bargaining table? Since when have the British been holding the archipelago in the name of actual fact and of the few Englishmen living there?

Yesterday, before a dismayed world, Great Britain went into direct action. The destruction and loss of lives begins.

Argentina, plunged into one of the worst economic crises recorded in its recent history, now has to channel considerable resources to the military sector, distracting attention from [?] the serious problems that affect millions of human beings.

Great Britain spends hundreds of millions of dollars in military operations, while millions of men, women and children go to bed each night without having had a bite of food all day.

Now there is talk of the "self-determination" of the inhabitants of the Malvinas. And the fact that Argentina is ruled by a military regime that violates human rights is criticized. That is to say, it is in the midst of a conflict--now a war--when it is "discovered" that the Argentines are governed by force. It is ignored, however, that the regime of power capitalizes very well on the "international juncture"--do not forget that expression--because even its Argentine opponents will support it in every move it makes to confront the British.

The United States, the superpower, surprises only the heedless when it backs Great Britain. The interests of NATO have carried more weight than the geographical location and the greatly discredited and accommodating Monroe Doctrine. Latin America rebels against the U.S. decision, and, as would be expected, the sentiment is spearheaded by Cuba and Nicaragua, which are opposed to the U.S. system.

The Soviet Union does not fail to take advantage of the opportunity--as would be logically expected--and the ideological conflict is becoming more acute. The Soviets line up with the Argentines, and it is obvious that the struggle between the two big imperialisms that seek to dominate the world will worsen.

How long will it take to understand reality? Is it, perhaps, that whatever efforts are made to secure peace are useless? Or is it that the opposition to put an end to the old colonialism has failed to convince many powerful people that it can lead to another colonialism that is just as bad or worse?